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Saboia Notes Risk in Holding Presidential Election in 1988

33420087a Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 88 p 4

[Text] Adm Henrique Saboia, the minister of the Navy, warned yesterday [21 April 1988] that "an election for president this year is a very great risk." He would only favor the holding of municipal elections. Saboia was in Sao Paulo, where he spoke to a group of young entrepreneurs at the Trade Association. He refused to talk about corruption at the federal level. He said that he was unaware of any type of cutback, at least in his ministry, and he defended ending the URP [Price Referral Unit] for everyone, since he does not think it fair that only federal officials should have to adopt "measures of sacrifice."

"We are still on heavy seas," stated the minister, referring to the difficult situation in which the nation finds itself. "Laws need to be obeyed by everyone. This is absolutely necessary if we are to overcome the difficulties, those heavy seas that I am talking about in the figurative sence, using Navy language."

Concerning the assurances by other ministers in the military area, such as Brig Paulo Roberto Camarinha, chief minister of the Armed Forces, that the military will respect the decision of the Constituent Assembly even if President Sarney's term of office is fixed at 4 years, the minister of the Navy said: "I am not speaking for the military. I am speaking for my community, which is the Navy, and elections this year would be a very big risk."

Saboia said that he has been talking a lot with different politicians, those who seek him out. And he has been telling them that it does no good to have an election this year if the constitution has not even been adopted. "The Constituent Assembly has many supplementary laws yet to be passed after the new constitution is drafted, and many matters dealt with therein will be regulated by ordinary laws," argues the minister of the Navy. "In addition, there are other laws that interfere directly in the elections, which are the laws of the parties, the electoral law, ultimately a series of laws that will regulate the upcoming election. Without knowing exactly which laws those are, before the rules are written, I think that it is really risky."

The minister approves of municipal elections right away: "Even with those elections, there is a series of decisions made on an emergency level. I am not in that area, but if it is in the Constitution, then the law must be obeyed."

Since the Navy was involved in the matter of the URP, the minister said that he would make a small comment: "The suspension of payment of the URP for 2 months is a measure of sacrifice, but it should have a general character. It does not make any sense that only those who are paid by the Union should have to do all the sacrificing."

Saboia said that he did not know anything about any type of cutback in the ministries. At least in the Navy, he did not know of anything. "If there are government cutbacks, I know nothing about it."

Concerning the Senate CPI [Commission for Congressional Investigations] that is investigating corruption in the federal government, he refused to make any comments. Specifically on the accusation made by former Minister of the Treasury Bresser Pereira that the government supposedly altered the freight supplement in the Merchant Marine, the minister stated that it is a matter for Transportation to decide: "My ministry only looks into questions concerning security." Concerning Bresser's accusation that there is corruption in government, Saboia counterattacked: "That type of statement should not be made in such a generalized fashion. When someone does so, he should give names to the things that he is talking about."

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Military Plans To Counter Reduction in Sarney's Mandate Surveyed

33420086 Sao Paulo VEJA in Portuguese 30 Mar 88 pp 36-43

[Text] Last Thursday morning's edition of the JORNAL DO BRASIL, which came out while the government was still enjoying its grand victory on Tuesday, was received like salt in your coffee. "Constituent Assembly Voted Under Threat of Coup," read the headline spreading across the top of page one.

"A joint memorandum signed by the three military ministers and the chief of staff of the Armed Forces, which stated the Armed Forces' opposition to holding direct presidential elections this year, was to be announced in the event that the Constituent Assembly voted in favor of the parliamentary system, with a 4-year term for President Jose Sarney," wrote political reporter Luis Antonio Villas-Boas Correa, a 64-year-old veteran with 40 years in the business who possesses one of the most envied stables of informants in the country. "A military junta would assume power for a period of 120 days; it would ensure the execution of tough measures to handle the crisis," added 38-year-old columnist Ricardo Noblat, who has 20 years of professional experience, in another article.

Villas-Boas and Noblat wrote their reports without exchanging information. The former, as he put it, obtained the clue "from an old source, a friend of more than 30 years, who is infallible" and he checked it out three times with persons at the highest level of the government. "They all confirmed it and each one added more details to the story," says Villas, as he is known in political circles. Noblat, who sniffed out the first information concerning the probable coup more than a month ago, fished out the latest clues from a Centrao politician.

In essence, Villas-Boas and Noblat discovered the existence of a plan for a military coup with the following characteristics:

1) In the event that Sarney saw that the Constituent Assembly was on its way toward denying him a 5-year term, he would resign his position (according to Noblat);

2) following the vote, the military ministers would disseminate an official memorandum and would take a stance in opposition to holding an election this year (according to Villas-Boas);

3) a military junta would be formed to govern for 120 days, at the end of which a general election would be held, including election of the president. Whoever won the election would take power (according to Noblat).

Following what might be called the "Mourao Filho Law" (because Gen Olimpio Mourao Filho denied—for almost 10 hours—that he was rebelling against the Joao Goulart government on 31 March 1964), the coup announced by the JORNAL DO BRASIL was emphatically denied. "Highly imaginative reporting," stated the Army Ministry's Mass Media Center.

"This story about a threatened coup is pure fantasy," President Jose Sarney himself told VEJA last week. Elaborating on this logic, the president added that "people have not yet understood correctly that the military has assumed a new role in my government. Today, instead of conspiring, they are integrated in the process of democratic transition; they endorse this process; and they would never do anything outside of legal channels. It is clear that the military did not accept the 4-year idea. But that didn't lead them to prepare a coup. I guarantee that if the Constituent Assembly voted to reduce my term we would have held elections this year; but I feel that, in that event, the transition to democracy would be running an enormous risk. It would be highly risky to enter an electoral campaign without having complete control of the economy and without consolidating the transition process. I feel that the consequences would be unforeseeable. The military feared, and they continue to fear, the creation of a climate of disorder and social upheaval in the country. There would be that risk, as a matter of fact, if we were to hold elections this year. It is clear that in the midst of social upheaval the military would have to fulfill its role and ensure order."

One of the three basic points about the coup as reported in the JORNAL DO BRASIL seems certain: the possibility of Sarney's resigning in the event his term was set at 4 years. On the morning of Friday the 18th, the minister of justice, Paulo Brossard, met with the chairmen of the PMDB, the PFL and the PDS in his office. In the discussion, which was kept secret until last week, he said that "the president is not going to stay on if his mandate is cancelled, nor will he appeal to the Federal Supreme Court." Astute listeners like Deputy Ulysses Guimaraes and Senators Marco Maciel and Jarbas Passarinho understood the hint. If Sarney was going to take neither course of action, one of the following two things would occur: Either he would close down the Constituent Assembly on top of an "Urutu," or he would go to Sao Jose do Pericuma in his private car.

From there, the coup was to take on its own life. According to the version furnished to Noblat, Ministers Leonidas Pires Goncalves (Army), Henrique Saboia (Navy) and Moreira Lima (Air Force) would take power and form a military junta—following the example of the triumvirate formed in 1969 by Gen Lyra Tavares, Brig Gen Marcio de Souza Mello and Adm Augusto Rademaker, who prevented Vice President Pedro Aleixo from taking power in place of General Costa e Silva. The 1979 junta governed for 2 months. The 1988 junta would remain in power for 4 months, oversee general elections, put the winners in power—among them the new president of the Republic—and the members of the junta would then go straight home. There is definitely a great deal of phantasy in that version, since it would make no sense to stage a coup in March against a November presidential election only to hold a July election. Another version of the apocalypse, which was obtained by VEJA from a source that has been reliable in the past, indicates a different outcome to the crisis that would be provoked by Sarney's resignation. In reality, the military ministers would bypass the Constituent Assembly;, they would not put into the presidency Deputy Ulysses Guimaraes, who by law would be next in line, and would put in Senator Humberto Lucena, president of the Senate in the Planalto. In this scheme, the elections would be called for December or January and would be general elections, from alderman to president.

Even so, it is hard to swallow the hypothesis about the happy ending with elections. For schemes of that type to be workable within the framework of their surprising ingenuousness, many increasingly difficult issues would have to be resolved. A single falsehood emerges from all of this: the idea that a "benign coup," without any political or physical violence, was planned.

The shock of a resignation's opening the way for a junta is an old idea. President Janio Quadros tried it in 1961 and it was a failure. This one could have resulted in the following imbroglio: Minister Brossard would go to the Congress; he would deliver Sarney's resignation; it would be received with rejoicing; and Ulysses Guimaraes would walk across the street, taking possession of the presidency. In a bolder version, being prevented from crossing the street by the "Urutu," Ulysses, in the name of the law, would try to enlist the support of people all over the country, as occurred in 1961 at the time of Joao Goulart's struggle to take power, which ended in the humilation of the triumvirate comprised of Gen Odylio Denys, Adm Sylvio Heck and Brig Gen Grum Moss. If the current military ministers were willing to confront a popular campaign in defense of constitutional law, relying on its "Urutu" to make its point, the coup d'etat

would be victorious, though violent. In that case, anyone who entered the palace to point out that elections had been promised within 270 days would end up imprisoned in an already filled jail.

Rumors of takeover plots have been lurking about in Brazilian politics for the last year. Strange signs have been showing up for more than a month, even in the speeches of the military ministers and the president of the Republic (see inset on page 39). Even last Monday, Gen Olavo Guimaraes, chief of the Army's Mass Media Center, told O ESTADO DE SAO PAULO that elections in 1988 would be "inevitably linked" to disturbances in law and order and, therefore, the Armed Forces would have no choice but to interfere in national affairs. The day before the meeting with Minister Brossard, Deputy Ulysses Guimaraes let out an enigmatic sentence during a luncheon with three fellow party members in the Hotel Carlton in Brasilia. "We are going to have to confront the enemies of democracy and society, as happened with Juscelino Kubitschek," said Ulysses. Actually, the enemy that J. K. most often had to confront—before, during and after his government—was the coup d'etat. On the 18th, after Brossard's insinuation, Ulysses told Senator Albano Franco, chairman of the National Industrial Confederation, that he was receiving "signs of confrontation in the military area."

The senator packed his bag, hastened to Rio de Janeiro and proceeded by car to Teresopolis, where he met with former President Ernesto Geisel. He tried to sell the parliamentary formula with a 5-year term, but he found no buyers. Geisel condemned parliamentarianism and the maneuver failed. Furthermore, the former president, who has had visits from almost everyone in the country recently, didn't say anything during that conversation that might involve him in the national political confusion. At the age of 80, Geisel is now a political personality who enjoys great respect among the military and he seems to be willing to make the most value of his greatest weapon, silence. By coincidence, he left last Thursday, travelling to the interior of Rio Grande do Sul, where he is spending the holidays with family.

The former president has long sympathized with the idea of a coup d'etat and has even longer believed that one has been planned. Along those lines, the governor of Rio de Janeiro, Moreira Franco, stated last week that "this is all a bunch of ghost stories, and I don't believe in ghosts." In the meantime, it is possible that Sarney may have seen a ghost. Moreover, it is certain that same ghost appeared to businessman Antonio Ermirio de Moraes and to the governor of Pernambuco, Miguel Arraes. Twenty days ago, Antonio Ermirio landed in Brasilia defending the 4-year term—and he returned to Sao Paulo on the next plane certain that the best course for the country would be to leave Sarney in until 1990. "The military made it clear that they considered 4 years to be an insult to the government; I felt the possibility of an imminent confrontation and I do not desire a step backward," explained the most important industrial entrepreneur in the country. In a clearer conversation with former Deputy Nelson Marchezan, Antonio Ermirio told him that he had heard "a military minister" say that "the parliamentary system is unacceptable. We are even willing to stand up against it in order to prevent it. We are going to stop the parliamentary system even if it is with bullets." Known to be well connected and insightful, Ermirio would never have been able, in a single day in Brasilia, to sound out what he termed "the military"—there are over 25,000 officers of all ranks, backed by the three Armed Forces throughout hundreds of Brazilian cities. What did Ermirio see? He undoubtedly saw Gen Leonidas Pires Goncalves on Wednesday the 9th.

On the 17th, Governor Miguel Arraes also saw Gen Leonidas. On the day after the apparition, Arraes gave a speech in Recife. "Posters have just been put up in the street proclaiming that the 1964 coup made Brazil the eighth power in the world," said the governor. "That may express support for a coup d'etat. The people must lead the process and guide the country in a new direction, contrary to the interest of groups that do not want democracy to advance." This was the first aggressive speech by Arraes since he took power a year ago. At the same time, he softened his calls to reduce Sarney's term. The governor of Pernambuco returned to the Brasilia frightened, and the Sao Paulo businessman returned with a more moderate outlook, both having spoken with Gen Leonidas; both saw something and both changed their positions, though in different directions.

Logically, the ghosts seen by Villas Boas, Noblat, Antonio Ermirio, Arraes and Ulysses should have returned to the attic in the early evening of Tuesday, when the parliamentary system was defeated by an overwhelming parliamentary majority. Actually, however, we would also have to believe in fairy tales to assume that these ghosts only get involved in the question of the parliamentary system or that they are only interested in assuring a 5-year term for Sarney. In all the speeches and horror stories circulating in national politics there is a common structure: the idea that the Armed Forces do not accept this or that and, above all, they do not accept disorder. Thus, in the event that this or that were to occur, or even that what is called disorder were to follow, "the military would have to fulfill its role," as Sarney pointed out. That is, it is not a question of conjunctural reasoning, linked merely to the parliamentary issue or the president's mandate, but rather a structural threat, tied to complications that thwart the Republic's return to a civilian regime. We are dealing with re-establishment of the idea of the military's entry as the "ultima ratio," the solution to any problem—economic crisis, the "maharajas," the foreign debt, labor strikes, the URP, the shortage of taxis during rush hour. All of that, in the version that appeared last week (and in every week during periods preceding coups d'etat), could be achieved without violence, by means of a "benign" coup, one that is transitional, electoral and legal.

The complex life of that coup, however, would have taken shape by means of a very different path. The Constituent Assembly could not have been closed down without a military occupation of the Congress (in March 1964 a "benign" military movement took place and it shut down the Congress the following year, later putting it on vacation on two occasions. Over a hundred members of the legislature were removed from office). Similarly, the members could not be silenced without immediately imposing strict censorship of the press. (In 1964, the press supported the removal of Joao Goulart. Then, the press suffered 6 years of censorship. It was forbidden to mention the name of Helder Camara "either in favor or against.") Finally, it would be impossible to prevent protests or even acts of violence by the opposition without putting troops in the streets of large cities around the country and in other locations considered subversive in the network of military units. With that type of repression, it would be difficult to keep arrests from numbering in the thousands (between 1964 and 1984, over 10,000 persons were arrested, with or without a judicial order).

Even assuming that it would be possible to achieve everything easily, there are still more problems in the coup d'etat locker. The ministers of a junta invariably state that their power arises from the Armed Forces. If that is true, the role of policymaking, which is taken away from the Congress, flows into the military sphere and there is always some general who comes to feel that he is a senator or a colonel who feels that he is a deputy. If today there are senators and deputies saying that there is corruption in government to which the military ministers contribute, on the day after the coup there would be generals and colonels saying the same thing. And if in a civilian regime a deputy with a file under his arm may be of little importance, in a junta government a colonel with a stack of papers (even if they are blank) in his hand is somewhat more fearsome. In 1969, when Brazil underwent its last period of military anarchy, Col Leonidas Pires Goncalves saw the devastating effect that the denunciations of corruption made by Gen Moniz de Aragao had on the government of Marshall Costa e Silva. Gen Newton Cruz, a veteran observer of military upheavals over the last 30 years, now in the reserves, doubts that managing a junta has been considered. "I do not believe that the ministers could conceive the idea that it would be possible to commit an illegal act of that nature," says Cruz. "Our recent history should allow us to draw some conclusions. That would be a coup and they certainly already know what lies at the end of the process: the deterioration of the Armed Forces," he adds.

Deterioration always derives from one of the greatest problems of coups, in which the difficulty lies not in ordering the arrest of adversaries but in shackling, later, your fellow party members. That anomaly is how military regimes are able to silence the press, neutralize the Left and dope the unions. In that way, cities are as quiet as the cemetery; but at the same time the Armed Forces themselves are thrown into tumult. In the 1964 regime, almost all the terrorists from leftist groups of the 1960's went to prison, and none of the rightist terrorists of the 1980's. The names of all the kidnappers of diplomats during the Medici government are known, but we don't know the name of even one of the parties responsible for the Riocentro assassination.

A junta will be able to fight the Left in accordance with the old manuals, by intimidating and arresting leftists. But what to do with the Right? The Ruralist Democratic Union and the National Union for the Defense of Democracy supported the new order and they presented their suggestions. And what would the junta do with Dr Ronaldo Caiado or with Brig Gen Joao Paulo Burnier when, after having been passed over, they would begin to criticize it? In 1976, when the DOI-Codi of Rio de Janeiro began to diverge from the direction that journalist Roberto Marinho gave to its communication efforts, a paramilitary command decided to punish the owner of REDE GLOBO and, with the help of an informer working in one of its editorial rooms, placed a bomb under the bedroom of his Cosme Velho mansion in Rio de Janeiro. Everyone in the military commands of the period knew the names of those responsible for the assassination, but the investigation wisely ended in silence.

Another chimera is the idea that a junta, once it has taken power, can take tough economic measures and quickly return to power the civilians. It would be ingenuous to assume that junta members would be so gifted in their skills, because in that case we could simply put the economic ministers in the military ministries, then immediately turn over the Treasury, Planning and the Central Bank to the commanders of the Navy, Army and Air Force. It would also be deceptive to assume that the power derived from a coup would give the executive branch the profound courage to take measures that President Jose Sarney is vacillating over. Finally, if the "tough economic measures" consisted of requiring each of the members of the junta to live for 270 days on a minimum wage, the reasoning behind the plot would be impeccable. The problem is complicated precisely because it is a question of making others live on the minimum wage. Therefore, the difference between the "ultima ratio" militarization of the economic crisis and the current lack of decisiveness among civilians is also among the means of persuasion that would be utilized to convince the needy of its policy of national salvation. Beginning in 1969, these centers of persuasion were known as DOI-Codi. They began by wiping out terrorism; they degenerated by involving themselves in plots to depose President Ernesto Geisel; and finally, they became clandestine during the Figueiredo government, devoting themselves to terrorist activities.

The most significant of the problems of the 270-day coup, however, would concern its origin and conclusion. The argument that states that the country does not support elections this year is a poor one. There is an election held to choose the mayors of capital cities and to

date not a single word has been heard about eventual problems that it would provoke. The problem, with respect to the freedom-inhibiting aspect of the national crisis, is not the election in itself, but the presidential election; and, specifically, the difficulty lies in the result, above all if the result is named Leonel de Moura Brizola. If it were possible for the leader of the PFL in the chamber, Deputy Jose Lourenco, to become the favorite in a presidential election to be held this Holy Saturday, all the adversaries of the Right would go to the streets to defend Sarney's exit before the end of the month.

According to reports on a conversation between Leonidas Pires Goncalves and Sarney, Leonidas told the president that Brizola, if elected, would have to be put into office. That version coincides with the information received by reporter Ricardo Noblat according to which after 120 days the junta would hold an election and would respect the result. It remains to be seen what Leonidas would be willing to do with Brig Gen Burnier in the event that he did not like that solution. In 1959, in a similar situation, Burnier ordered the hijacking of an airplane (the first in the history of national subversion) and went on to lead the first guerrilla unit in the middle of the Amazon region.

If the 270-day coup is a lie underneath which is hidden a plan to restore a dictatorship, the idea of "military intervention," like a scheme worked out in Fort Apache in meetings between the three military ministers and their aides, is another, even greater lie. In reality, all the indications of a coup d'etat plot in Brazilian politics today occur much more often in civilian circles, where those persons that Marshall Castello Branco labeled in 1965 as "buzzing camp followers who surround the bivouacs and stir up the soldiers to excite them to excesses of military power" congregate. The buzzing camp followers are the product of an alliance between afflicted businessmen, politicians who are looking toward the future and, above all, reserve officers. Their tracks can be noted in barracks, where they give preference to officers connected to the intelligence services; in the list of the country's noble families, where they tend to choose ministers of the past regime and even foreign diplomatic missions. There are old signs of that movement. On 31 March 1986, 22 years after the military intervention of 1964 and 1 year after its demise, Gen Golbery do Couto e Silva, one of those responsible for deposing Joao Goulart and the dismantling of the dictatorship, was in his office in Brasilia when he received a hailstorm of telephone calls. Based on what he said on his side of the connection, it was clear that the people on the other end had a certain nostalgia for 1964 and sadness about 1986. Two of them, businessman Augusto Trajano de Oliveira Antunes, of the Caemi group, and banker Jorge Oscar de Mello Flores, were old companions from the conspiracy of the 1960's. What they told him, Golbery did not say. After hanging up the telephone, he limited himself to wondering out loud: "What good does it do to think about'64 nowadays? Experience has shown that if the same thing happened today, in 10 years everything would turn out the same, with the difference that Ulysses Guimaraes would be 10 years older."

The key factor in creating the utopia of a coup d'etat lies in its civilian context. In this sense, the current agitation of the camp followers doesn't so much reflect a certain desperation among the conservative elite in the face of the crisis as it doesr a historical leaning in favor of the coup d'etat, as a consequence of failure to adapt to life outside the prison, and the difficulties, ineptness and vulgarities that occur in a democratic system. The difficulty, in the meantime, is probably not the rampant inflation, the deficit, the "maharajas" or "fisiologismo," because if this were the problem the camp followers would have been alarmedwhen these problems manifested themselves during the military regime. The underlying problem probably is—unfortunately—the conservative elite's difficulty in facing the problems of the country while preserving democratic rule. That is, the patient is no longer asking for a shot of heroin just because he feels pain. He does feel pain, this is true, but the real reason thathe is asking for heroin is that he is a heroin addict.

[Box, p 38]

Sarney's Allusions; Sarney Raises His Voice to Civilians

Three years ago, President Jose Sarney was the first civilian to take power in the Planalto since 1964. Since that time, Sarney has increasingly praised the military—at the same time widening his criticism of civilians. Examples:

"The military area is the only one that does not give me any problems." (12 April 1987)

"Instead of the proper work of the Constituent Assembly we have seen personal and political attacks, the sole purpose of which is to immobilize the government and take it into situations that other presidents faced in the past." (27 February 1988)

"There is a determined group that, while pretending to combat politicians, the government and corruption, is playing with setting fire to the country, not respecting the most dignified persons, in a well known attempt to spread a lack of faith in institutions, politicians and our way of life." (14 February 1988)

"Inside the National Congress there is a small group of radicals and opportunists whose goal is to undermine order." (2 March 1988)

"If you think that you are going to destroy me...you'll have to wait. If blood must be spilt, so be it." (2 March 1988)

"The democratic transition is passing through fearsome times. Civilian forces, who are responsible for it, become divided, are torn to pieces, break up in a self-devouring process that weakens institutions."

"...In the midst of this storm...the Armed Forces have conducted themselves faultlessly, demonstrating unity, cohesion, understanding, sacrifice, unaffected by provocations, dedicated to their constitutional duties, providing support to the transition and vigilant in the defense of order, without which peace does not exist, and without peace nothing can be built." (16 March 1988)

[Box, p 39]

Uniformed Allusions; Signs of a Military Coup

Since the Constituent Assembly was inaugurated in February of last year, the military has entered into the debate about President Jose Sarney's mandate using language that gradually became more severe as the issue moved toward the moment of decision in the plenary session of 559 members elected for the purpose of resolving this type of issue. Below, some of those statements:

"A general folly could be committed" (in the event the mandate is not for 6 years). Gen Leonidas Pires Goncalves, minister of the Army, January 1987.

"The country cannot remain subject to the whim of this or that deputy." Gen Paulo Campos Paiva, chief of staff of the Armed Forces, May 1987.

"I note that all the people want general elections." Gen Edison Boscacci Guedes, March 1988.

"Presidential elections this years can lead the country into great upheaval in the political sphere. With the holding of elections there is the risk that those laws will not be voted on, and as a consequence of that, a possible situation of general chaos. The ideal is a 5-year term for President Jose Sarney." Brig Gen Paulo Roberto Camarinha, chief of staff of the Armed Forces, March 1988.

"I personally believe that an election in 1988 is highly inappropriate." Gen Leonidas Pires Goncalves, March 1988.

When the seas are rough, it is necessary to have a competent crew, capable of leading the ship to safe port, despite the conditions of the ship. The nation needs peace before thinking about elections." Adm Henrique Savoia, minister of the Navy, March 1988.

"The military thinks that the elections this year would bring about insuperable difficulties that, when added to the existing problems, can affect institutions and the governability of the country." Brig Octavio Moreira Lima, minister of the Air Force, March 1988.

[Box, pp 40-41]

A Common History of Coups; A Recipe That Goes From Promises to Violence

Military coups d'etat can take place at various latitudes and be more or less preplanned, but they have similarities as to their beginning, middle and end. In a country like either Pakistan or Argentina, coups begin by deposing the government and promising elections. When the elections don't come about in the beginning, violence is inevitable in the course of events. In Pakistan, the military command that deposed President Zulficar Ali Bhutto in 1977 tried to hang him 2 years later. In Argentina, more than 30,000 people were exterminated without any right of appeal.

Eight years after the coup that brought down Maria Estela de Peron, the Argentines were able to elect Raul Alfonsin as president in 1983. There, the elections occurred only after the failure of the Falklands war. In Pakistan, the elections still have not taken place due to the simple fact that the military coup is still not finished.

The regime installed in Brazil in 1964 set an all-time record. When he took over, Marshall Castello Branco promised elections for the next year, but what happened was the extension of his term for 1 year, until his successor could be chosen. And to date, 24 years after Castello Branco's promise, the Brazilians still have not voted for president. Thus, the country has come through its longest period without direct elections since the times of the empire, when succession did not happen by means of the ballot box and only through the cradle of the family of Orleans e Braganca.

This electoral fast is occurring only because, in general, coups are made by generals who only know what should not be done, such as, for example, preventing an election from taking place just because one opposition candidate has a chance of winning. The military likes to take power in the name of combatting corruption, subversion and demagoguery of politicians. The fact is that their own rules of government often take subversion inside the barracks, open the way to corruption in civilian sectors and troops and produce their own demagoguery, such as the history of the "Grand Brazil" created by Gen Medici, or that of the "prato do Sunab," invented by President Costa e Silva.

Since the military governments are unable to solve the problems that they themselves usually create and they prefer that their difficulties not be discussed, the next step is the implementation of special mechanisms to silence those who oppose them. The best known, in the case of Brazil, are the closing of the Congress to silence the opposition in the legislature, censorship to close the mouth of the press, and torture to wipe out their adversaries, as occurred in the DOI-Codi of Sao Paulo, where journalist Vladimir Herzog was murdered. The proponents of the 1964 coup did not need to look for long

before finding inspiration in Brazilian history. As soon as he carried out the coup and installed the New State in 1937, Getulio Vargas tried to cancel the presidential elections of the next year and bar political parties from functioning. The recipe is a classic one and coups always tend to repeat it.

13331

Attack Submarine Technology Acquired

33420087b Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 88 p 4

[Article by Roberto Godoy]

[Text] The first of a series of three German IKL-209/1400 attack submarines bought in 1984 by the Brazilian Navy is now ready and undergoing diving tests off the shore of Kiel. Official delivery is expected by September. The Tupy cost $150,000,000, "but with it, the nation acquires the ability to plan and build ocean-going vessels of that type without depending on anyone outside," according to one official connected with the program.

Construction has already begun on the second unit, the Tamoyo, on the production lines of the Gobras Island Arsenal in Rio de Janeiro, from which will also come the Timbira and, eventually, the Tapajos, in case the fourth option signed with the Howaldtswerke-Deustche Werft shipyard is exercised. All of them, however, will have nationalized state-of-the-art technology.

The most important thing, however, is that along with that plan, the General Board of Navy Material (DGMM) has secretly worked on developing plans for the NAC-1, the first submarine to be completely designed nationally, with conventional diesel-electric propulsion. It should go into production within 3 years at the most, prior to the advent of the strategic nuclear submarine that is planned for the turn of the century.

The NAC-1 is really the main result of Operation Baltic, which was initiated in 1978, when the admiralty decided to sign an agreement with West Germany involving the IKL-209/1400's. The contract, on the order of $500,000,000, was completely financed by the Ferrostaal company, one of the members of the naval consortium responsible for building the ships.

The first national submarine will be the biggest ship of this type ever built in the Third World. Displacing nearly 2,200 tons and using a diesel-electric motor complex, it will have a crew of 35 to 50 men and will be able to fire advanced torpedoes of the Tigerfish type, the same ones used by the British task force in the Falklands War, which sank the Argentine cruiser General Belgrano.

The navigation system, the firing control, and the basic combat unit of the NAC-1 will be integrated to computers designed to allow navigation by satellite and remote network computer processing. With that type of ship, the Navy hopes to reach the ideal size of the submarine fleet, which has been set at 20 vessels. Two of them with nuclear propulsion are expected to be in full operation by the year 2010.

Nationalization

The rate of nationalization of Brazilian submarines is estimated at 70 percent, but it reaches 100 percent in several areas, beginning with the engineering project. "The scheduling of sheet metal work and welding, for example, are sensitive areas over which we now have complete control," stresses the military specialist who spoke with Agencia Estado.

The Tupy went through a basic test 2 weeks ago: On the tracking sensor screens, which are similar, for example, to those used by anti-submarine frigates, the Tupy produced an echo similar to that produced by a school of fish. In a real situation, the country's newest naval war machine would not be detected. This is the result of using, for the first time in a Brazilian Navy attack vessel, a synthetic anechoic sheathing, which absorbs sound waves and reduces the level of internal noise.

The 209/1400 class of the IKL line is the most sophisticated version of the group of submarines made in West Germany exclusively for export, planned for oceanic navigation. (The German Navy does not use this model. It has opted for the 206, which is designed for use in shallow waters, such as are found in the Baltic Sea.)

In Latin America, 6 countries are operating 16 IKL-209 submarines: Argentina (two model 1200's); Peru (six 1200's); Chile (two 1300's); Colombia (two 1200's); Ecuador (two 1300's); and Venezuela (two 1300's). All of them opted for the German vessel back at the beginning of the 1970's. Still, only Brazil has the industrial support structure to absorb the construction technology of these ships. "An initiative of this scope will certainly have the participation of the nation's private sector," says an admiral who is the former director of the DGMM.

Technical Specifications of the Tupy

Total length: 61.20 meters; average draft: 5.50 meters; displacement: 1,411 tons; breadth: 6.20 meters; speed (underwater): 18 to 20 knots; speed (surface): 12 knots; maximum depth: 250 meters; weapons: eight 533mm torpedo tubes; crew: 35 men; equipped with electronic war units, medium and long range sonar, and two periscopes (one infrared).

9895

Metalworkers Confederation Reactivated

33420087c Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Apr 88 p 39

[Text] Starting this week, metalworkers will have a confederation of their own ready to fight to maintain the Price Referral Unit (URP), fight for salary restoration, and for nationwide strengthening of the ranks of metalworkers.

The National Metalworkers Confederation (CNTM) was created 3 years ago, and during all that time, it has remained practically anonymous, awaiting authorization from the president of the Republic to begin operating. Beginning with that authorization, which is now ready to be signed, the metalworkers will no longer belong to the National Industrial Workers Confederation (CNTI).

The serious substantive actions of the CNTM (even before legalization) as de facto coordinator of the metalworkers' struggle was decided this past weekend in Florianopolis, when 97 labor unions and 5 federations, totalling 120 delegates in the metalworkers category, held the plenary session that elected Luiz Antonio de Medeiros (president of the Metalworkers Union of Sao Paulo) to the presidency of the CNTM. According to Medeiros, the confederation will be autonomous, with no connections with any headquarters, but it will be open to the participation of the CUT [Sole Central Organization of Workers], the CGT [Union Headquarters], and the USI. Joao Machado Mendes, from the labor union of Porto Alegre, which has connections with the CUT, was elected vice president from the unopposed slate of candidates, which was drawn up by consensus. The secretary-general is Jorge Normam Neto, from the labor union of Minas Gerais and vice president of FETIM (International Metalworkers Federation.)

In the opinion of Medeiros, the actions of a metalworkers confederation is of interest not just to the metalworkers themselves, but also to the government, which then has specific parties with whom it can discuss its proposals. On the workers' side, the advantages are innumerable. "The concentration of the different categories within the CNTI, which is the umbrella organization over 1,196 labor unions and 65 federations, prevents it from taking clearly defined positions," argues Medeiros. In addition to this problem, Medeiros points out another: "The more than 2,000,000 metalworkers are responsible for almost 50 percent of the funds collected by the FNTI, but it has a participation of just 7 percent in voting."

As a result of representing metalworkers exclusively, the CNTM will be in a position to strengthen their sector, starting, for example, with the creation of a data bank and a newspaper, which are to be set up starting next week. The idea is to bring metalworkers' demands and their regional victories to the attention of the whole metalworking sector, which will also receive economic forecasts and analyses: "For example, we are going to give arguments to all the labor unions to back up their demands. If a corporation is against the creation of four 6-hour shifts because that measure raises its costs, the labor unionists need to be knowledgeable about how much weight labor carries in that company in order to be able to fight against it, to argue."

The lack of information also hinders the struggle of metalworkers in multinational corporations. "In that case, the important thing is to find out how workers in other countries deal with that same company. Today, almost no one even knows how much a metalworker in the United States earns, for example," stated Medeiros. In Medeiros's opinion, "all that knowledge stored in a data bank and released periodically throughout the country constitutes the base of the modern labor union structure." According to Medeiros, "the modern labor union movement needs to keep the whole industrial process in mind. This process is very different from the one that existed when the labor unions were created in this country."

In addition to the data bank and the forecasts and analyses, discussion of metalworkers' health is on the CNTM's agenda. Accidents and illnesses caused by poor working conditions will be discussed on 27, 28, and 29 April, during the second National Metalworkers Meeting in Ipatinga (Minas Gerais). It is also the CNTM's intention to lessen health-related expenses in the labor unions, rechanneling those funds into preventive medicine.

In the case of salary policy, the CNTM's priorities are maintaining the URP and restoration of salaries. The organization also plans to concentrate on its own legalization and on naming its board of directors so that it can get to work.

9895

Judges Reject Army Allegations in Medellin Raids

53002109z Bogota EL TIEMPO in Spanish
14 Apr 88 pp 1-A, 8-A

[Text] Medellin—The specialized criminal investigation judges in this city have described the charges made against them by the commander of the Fourth Brigade, Gen Jaime Ruiz Barrera, as a plot against the court system.

They further described the broad publicity that unit has given the operations carried out in recent weeks against the Medellin Cartel as extremely damaging to the courts' investigative work.

The judges then went on to question the handling of this information by the media, and they urged that both journalists and the brigade in question be more responsible and less superficial in what they do.

Last Tuesday, based on information obtained from a local radio station reporter, General Ruiz Barrera charged that irregularities had been committed by two of the four court jurisdictions responsible for the trials brought subsequent to a series of searches made since 22 March by the Fourth Brigade in the El Poblado neighborhood, in connection with the battle against drug trafficking.

The general charged that the First and Third Courts had released a number of the individuals arrested in the course of the operations on suspicion of membership in the cartel, despite the fact that at the time of their arrest, they had in their possession weapons used only by the military forces, as well as other compromising evidence.

Apart from these violations of the Penal Code, this officer said that the Third Court had not asked his brigade to provide confirmation of the searches, nor had it taken the testimony of the officers who made the arrests and seized the weapons.

For these reasons, he asked that the attorney general's office and the Regional Criminal Investigation Office look into the actions of these two units.

EL TIEMPO went to the specialized courts to talk with the judges and hear their side of the story. Because of the limitations set forth in Section C of Article 60 of Decree 52 of 1987, the Judicial Career Statute, a part of the Criminal Procedures Code, the judges were reluctant to make any official statements in response to the general's charges.

This regulation, which pertains to disciplinary violations by judges, provides that they may not solicit or sponsor publicity of any kind with regard to their persons or actions, without prejudice to their right to correct information or comments.

First of all, there was a consensus to the effect that there is "excessive zeal in trying to discredit the ordinary courts, for the purpose of pressuring the government to undertake the reforms needed to return the prosecution of civilians to the military criminal court."

"What they want is to make the public believe that we judges are not serving well, that our work is inefficient, and to create the idea that the military are indeed arresting drug traffickers and guerrilla fighters, but that we judges are calmly letting them go, and thus to make the need for military criminal justice for civilians felt," one of the judges said.

"In addition," he added, "the information provided by the general is incorrect, and if some of those arrested have been released, it was because there was no reason to keep them in custody. For in many cases the arrests were arbitrary, since it was his brigade itself, which is not cooperating, which failed to provide any evidence. The only thing which seems to interest it is publicity for its actions, but it does not want the investigations pursued successfully."

According to the judges, and also according to the reports submitted by the Fourth Brigade after the searches, a total of 40 persons were arrested in the course of these operations, including 18 on the El Bizcocho Estate, from which it is presumed that Pablo Escobar fled. These 18 were turned over to the Fourth Court. Also, 15 persons were arrested on an adjacent ranch called Chacaltaya, and were turned over to the Third Court, and seven were arrested at other sites and were turned over to the First Court.

Of those charged, only those turned over to the Fourth Court are still in custody. The rest have been released because the Fourth Brigade charge of possession of illegal weapons made against them has not as yet been proven against them.

The Third and First Courts, for example, have found proof that many of the persons arrested and now in their custody were not arrested at the place the search was made and weapons were seized; they were arrested in the environs of the properties or at other sites.

"There is another difficult situation we encounter in pursuing our investigations," one of the judges explained, "and that is that the reports the Fourth Brigade sends us on the search proceedings are quite incomplete, ambiguous, carelessly drafted and very irregular. They do not provide data, they are incorrect, and they are the basis for the investigations which we then pursue.

"For each search, they are supposed to send a detailed report on how it was carried out and why, stating what was found and the results. However, they send us joint reports involving several cases.

"Here is one they sent covering 25 search cases. And many of the proceedings, for example, are described in just two lines, which is completely absurd, because they send us some arrested people but do not say where they were arrested or why. The seventh judge, for example, was never informed about where the individuals were arrested.

"In its reports, the Fourth Brigade gives no evidence or information, and thus the only thing left for the judge to do is to base his action solely on the statement by the arrested person, because there are no witnesses either.

"In addition, the officers never appear to confirm their reports. We are tired of issuing them summonses, of sending for them. But they do not come, or they come only when it suits them, when there is no need, when the prescribed time for the investigation has elapsed. We cannot work this way."

EL TIEMPO has learned that the Third Court and the others have indeed sent the pertinent written summons documents to the Fourth Brigade officers who carried out the searches, with a view to obtaining confirmation of the reports and taking testimony.

"Another serious thing is the publicity they are giving the searches. And look at the situation in these courts—empty and lacking witnesses. People will not come to testify because they do not dare.

"The publicity given the investigations and the documents which might serve as evidence in these cases drives people away, and the whole process takes place for nothing, because what should be reserved for the indictment becomes public knowledge. Thus we can do nothing."

5157

Drug Traffickers Reportedly Responsible for Cordoba Massacre

53002109y Bogota EL TIEMPO in Spanish
7 Apr 88 pp 1-A, 11-C

[Text] According to the first evidence obtained, the zone where 36 peasants were assassinated serves as the finance center for a guerrilla group. A self-defense group paid by the drug traffickers is believed to have organized the celebration to facilitate the massacre.

It is reported that a self-defense group paid by the drug traffickers was responsible for the La Mejor Esquina massacre in Cordoba, in which 36 peasants lost their lives Sunday night.

Apparently, this incident was an episode in the war the drug traffickers and guerrilla fighters in the Popular Liberation Army (EPL) are waging. The drug traffickers are engaged in a frantic campaign to buy up land in broad areas in the middle of Sinu, while the guerrilla fighters are engaged in constant harassment of the owners of the land.

According to theories dev'loped in the course of the investigation, the area adjacent to the La Florida Estate, where this incident occurred, was a center for the extortion of money by the EPL from estate owners.

For this reason, a drug trafficker in Montelibano is reported to have planned the massacre in reprisal for the actions of the subversive movement, since other drug traffickers have been buying up land in this region.

"It is all a part of a war between the guerrilla fighters and the drug traffickers," one source said.

The evidence backing up this hypothesis was termed "overwhelming" by the authorities. Moreover, the weapons used by the assassins are very sophisticated, including Galil and R-15 rifles, which have traditionally been a part of the drug traffickers' arsenal.

These reports were obtained during a visit paid to the site of the massacre by a national government commission headed by Gen Rafael Samudio Molina, the minister of defense; Gen Miguel Maza Marquez, the director of the DAS; Minister of Agriculture Luis Guillermo Parra; and Cordoba Governor Jose Gabriel Amin.

The cost of hiring the band which played music for the fiesta was 120,000 pesos, a sum beyond the reach of the peasants, but which was covered by the drug trafficker mentioned above. The slaughter was carefully planned and premeditated. Testimony gathered in the region indicates that the drug trafficker in question was Cesar Cure.

Traditionally, the fiesta has been held in the Vistahermosa district, but on this occasion it was decided to hold it on the La Florida Estate, a site with characteristics which would favor an ambush. It has a huge solitary house, very isolated in the middle of the savanna.

"The idea was to get all the peasants together in one place," one of the sources said. The hook was the fiesta, with an orchestra provided, which would appeal to the peasants and bring them together in a given spot without arousing any suspicion. Then vengeance would be sought.

The fiesta began early, at 2 on Saturday afternoon. It lasted the rest of the day and well into the night.

"When we realized what was happening," a peasant recalled, "they already had us surrounded, and then they began shooting." Others said that one of the assassins shouted: "Not this one, he is my uncle."

This testimony, added to the fact that the hired assassins selected the individuals they were going to kill, is a further indication that the slaughter was carefully planned. The testimony of the survivors indicates that one individual, who had concealed himself in a pit at the back of the estate, indicated those whom his accomplices should kill by pointing to them.

5157

Hospitals Operate at 80-Percent Capacity Despite Strike

32480115b Santo Domingo LISTIN DIARIO in Spanish 23 Apr 88 p 9

[Article by Carmen Carvajal]

[Text] The director of the Dominican Social Security Institute (IDSS), Dr Rafael Gautreaux, stated yesterday that the main hospitals in that agency are working at 80 percent of their capacity. He warned that any doctors who do not report for work on Monday will be automatically fired.

Dr Gautreaux also reported, at a press conference yesterday afternoon, that a large number of physicians are willing to cover the positions abandoned by the doctors who have been on strike for 13 days.

The official indicated that 45 days ago State Security, Public Health, IDSS, and the Armed Forces drew up an emergency plan to deal with the situation, in case the doctors turned the hospitals over to the authorities.

Present at the press conference were the directors of Social Security and of the entity's medical centers, and several dozen physicians who answered a call to cover the positions of their striking colleagues.

Gautreaux also explained that the IDSS management does not intend to violate the law. Thus, the measure providing for the firing of any doctors who do not show up on Monday does not apply to those who obtained their jobs through competition.

He noted, however, that a large number, approximately 50 percent of the 1,536 physicians working at the Social Security hospitals, were appointed "free, without competition."

This group of doctors will be fired automatically on Monday if they do not return to work, explained the IDSS director.

Dr Gautreaux congratulated the military doctors and the Secretariat of the Armed Forces for the work they have been doing.

He invited the press to visit the Social Security hospitals to see that they are providing basic emergency services. "We will not allow a single patient to die because of lack of attention," he declared.

He stated that at the Salvador Gautier Hospital in Estrella Urena, Santiago, and at the Social Security maternity hospital, up to 80 percent of services are being performed.

"In our maternity hospital, we have even continued to do cesarean sections and all kinds of surgery without major difficulties," said Dr Gautreaux.

He noted that the government is not taking an arrogant position, and that at all times it has been receptive to dialogue. In fact, President Balaguer expressed his willingness to meet with the doctors.

Dr Gautreaux indicated that Public Health has already notified the doctors appointed without competition that they have been discharged and replaced with volunteers.

He also stated that Social Security will not appoint doctors capriciously; the strikers will be replaced by skilled professionals.

Gautreaux said that the hospitals in San Francisco de Macoris, Bonao, and La Vega are ready to reopen. They may resume services on Monday.

08926

Prime Minister Sums Up as 1988 Budget Is Passed

32980163 Georgetown GUYANA CHRONICLE in English 7 Apr 88 p 1

[Article: "Budge' Passed: 18 Speakers in 2 Days"]

A Spirited Exchange in Parliament Yesterday Between Minority Leader Cheddi Jagan and Prime Minister Hamilton Green

[Text] The 1988 Budget presentation last week in Parliament by Finance Minister Carl Greenidge was yesterday afternoon approved by the National Assembly after two days of debate during which 18 Government and minority MPs spoke for and against the budget proposals.

Prime Minister Hamilton Green who wound up the debate on the budget in a 40-minute address described the budget as being a practical guideline which underscored the active participation and involvement of every worker, every manager and indeed every citizen in the land.

He scotched rumours of an imminent I.M.F. deal by saying that the Government would not be dictated to by any international agency, though the Government will continue talks with all those international agencies with which the country has membership.

The Prime Minister said that the Government over the years has been honest and candid in analysing its plans for progress on various national projects. The opposition did not have to elicit any admissions of underachievement from the Government in assessing the past year's performance since those admissions were already made in the 1988 Budget.

"The 1988 Budget is a continuation of well-thought-out programmes which we started to put in place since 1984 to turn the economy around, the Prime Minister told the House. "We have obtained limited success over the years and it is for this reason that the budgetary policy has to be fine-tuned, as is being done this year to allow for this re-tooling and re-grouping for real growth.

Cde. Green said that the major burden of every good budget is to stimulate and maintain economic activity and to ensure economic buoyancy and growth.

"We have seen a moderate overall growth for last year, but very encouraging signs in some specific areas which promise even better things for this year," the Prime Minister said.

The fifty-three per cent increase in gold declared to the Gold Board as a result of new incentives to gold producers was particularly encouraging. Rice exports increased by 78 per cent above the volume exported in 1986 and 25 per cent above the revised export target. Timber was ten per cent in excess of the output realised in 1986 and two per cent in excess of the target set in 1987.

The Prime Minister admitted that "sugar and bauxite did not do as well as expected, but with the diversification programme by Guysuco becoming more viable, much better figures are expected in 1988. The rehabilitation of the bauxite industry continues and this, in addition to other structural changes, will bring better performance in that industry."

On housing, he said that when this Government took office it implemented a plan to build units for low-income earners, to provide infrastructure and land-development works to facilitate the construction of housing schemes, to encourage co-op housing projects and finally to sell houses owned by the Government to tenants who satisfy basic requirements.

He said that Government has also moved to encourage private land developers through increased mortgage capital now available at various banks and institutions. He said that the Government is taking a humane look at squatters and has decided to regularise the positions of some squatters who have been living for ten years and longer in some areas.

Looking at the many advances in health care in the Regions, and in the capital, the Prime Minister said that in the last year a comprehensive assessment of the health, manpower and infrastructural needs and projections was completed with the purpose of providing a more efficient and effective health service.

He said that additional medical officers and medex were assigned to the Regions; an out-patients service with a 24-hour casualty service was established at the Suddie Hospital; an opthamology service was implemented in Region Ten, while an ENT service and a Gastroenterology Unit were established at the West Demerara Hospital. On a recent visit to that institution the P.M. said that he met many residents who expressed their appreciation of the new services at the hospital.

Of special importance, he said was a training programme for nurses in the screening and treatment of breast cancer in women.

In winding up his speech the Prime Minister affirmed that his Government has always put people first in any plan or proposal and in a crunch, he said the people have always understood and supported the Government's programmes.

"In spite of the difficulties and hardships," the PM said, "we are sincere about building a Guyana prosperous and free and where all can participate in that prosperity."

/12223

PNP Chairman Suggests Changes in U.S. CBI Program

32980164 Kingston THE DAILY GLEANER in English 14 Apr 88 p 14

[Article: "Benefits Obtained From CBI Disappointing—Says PNP"]

[Text] The benefits derived so far from the Caribbean Basin Initiative (CBI) have been "disappointing," the People's National Party has said, while proposing a ten-point programme to further strengthen the programme.

There should be duty-free entry for all products from Caribbean countries and specific provisions should be designed to encourage United States investments in the region, the PNP said in its proposals.

The party said the duration of the CBI should be extended and the present time limit should be removed, or the programme should be automatically extended each year.

There is now a piece of legislation before the US Congress to extend the CBI for another 12 years and to further strengthen the programme. It is likely to be passed this year, according to reports from the US.

Additionally, the PNP felt that the CBI should be converted into a treaty between the Caribbean region and the US government to ensure that the non-reciprocal benefits of the programme were separated from the vagaries of US policies and the international economic policy.

The party's proposals were outlined to members of the National association of Black Social Workers Inc., by Mr. P.J. Patterson, PNP Chairman, at the San Francisco Hotel, California.

Mr. Patterson told his audience that trade between the U.S. and designated CBI countries declined by 15 per cent from US$14.2 billion in 1983 to US$12 billion in 1986. U.S. imports from CBI countries declined by 24 per cent.

A significant share of the decrease could be attributed to the reduction in the price of oil, he told the gathering. But, he explained that the negative trends were severely hiked by the substantial reduction in the U.S. import quota for sugar.

Mr. Patterson, who was speaking on the theme: "International Aid and National Development—A Caribbean Perspective"—said it was true that U.S. economic assistance to the region had increased under the CBI, but most of it had been directed toward particular countries in the form of military aid.

He added: "There is little evidence that need has been one of the criteria, but there has been a pronounced tendency for aid to be used to support a political agenda with relative neglect to the expansion of the infrastructure for export production."

/12223

Salinas de Gortari Discusses Democracy

32480120 [Editorial Report] Mexico City EL DIA in Spanish of 24 April 1988 carries a special supplement consisting of the text of an address delivered 22 April at a party meeting in Puebla devoted to "The Challenges of Modernization: Democracy and Decentralization" by PRI presidential candidate Carlos Salinas de Gortari. In the speech Salinas affirmed that "without electoral democracy we undercut the aim of the Mexican Revolution; with electoral democracy alone, the ideology of the Revolution is left incomplete and fragmented. This is so because the Revolution recognizes that the exercise of liberty is not carried out in the abstract, but under concrete social and economic conditions; the Revolution knows that in ignorance, neglect, and malnutrition, expression of the popular will is neither informed, nor free, nor stable." Further on he stated that "Democracy will be the path for keeping the Mexican Revolution in power; to do that I propose that we move ahead in four major areas for a deeper democracy: institutional renewal of our political life; the securing of justice and safety for citizens; the mechanisms of social participation and organization; and the fields of information and culture." He added that "deepening democratization of our political life assumes an unqualified respect for the freely cast vote....The rejection of obsolete practices and electoral vices is not the idea of the PRI presidential candidate alone, but that of most Mexicans." Continuing, Salinas said: "We are most certainly going to respect citizens' votes; we are going to carry out clean, verifiable elections." In discussing internal party reforms, the candidate described party modernization as involving change within the PRI, "but not at the expense of our electoral strength and internal unity, which are the country's guarantees of democratic and revolutionary advance." "Our aim," he continued, "is to modernize in order to remain the majority and not to weaken ourselves and stumble amid the burdens and obstacles of parliamentary coalitions, where minorities end up governing." (For an earlier report, see FBIS DAILY REPORT: LATIN AMERICA of 25 April 1988, p 7.)

Possible PRI Electoral Defeats Cited

32480121 [Editorial Report] According to a Monterrey EL NORTE in Spanish report of 15 April 1988 appearing on page 3B, Nuevo Leon PRI State Delegate Joaquin Contreras Cantu stated on 14 April after a meeting with the governor of Nuevo Leon and other party leaders that the object of the 6 July election is to win and that the PRI is not going "to yield a single vote at the negotiating table, but that we are going to acknowledge any defeats that we might suffer."

Morelos Governor Supports Clean Elections

32480122 [Editorial Report] Mexico City EXCELSIOR in Spanish of 18 April 1988, pages 4-A and 33-A, reports that in the course of his 6th annual report on the state, Morelos Governor Lauro Ortega said that "in order for Mexico to achieve democratic renewal, clean and verifiable elections are necessary and indispensable." He noted that transparent ballot boxes were used in the state's most recent elections. These, he affirmed, "will completely eliminate all reason for accusations of fraud or stuffed ballot boxes." He asserted that "Morelos in no way seeks to export its example to other states; we fully respect the operations of other states but we believe that the traditional manipulation of election returns ought to be done away with."

SDN-Ordered Secret Executions Alleged by Deserter

Indians, Peasants Among Those Killed

32480117 Mexico City PROCESO in Spanish No 598, 18 Apr 88 pp 12-18

[Article by Enrique Maza]

[Text] "Let's talk about what happened in San Miguel de los Jagueyes," his attorney, Stewart Istvanffy, says to him. A willing but hesitant Zacarias Osorio Cruz replies:

"OK. It's a target range guarded by military personnel. People go there to practice with mortars, machine-guns or infantry assault rifles. And that is where we take some people. But when the folks who live around there hear shots, they logically think: this or that battalion has come to train. That's why we take them there, so that no one finds out.

"When we left them there, they were already dead. I couldn't tell you who was in charge of picking them up. The bodies were practically torn apart, because the caliber of the weapons we used was 7.62 millimeters and the magazines carried 20 rounds. I couldn't tell you who was in charge of picking up the people we left there, and I'd rather not dig deeper into these kind of things because that is what has caused my trauma and it really affects my head."

"Can you tell us how the orders got to you?"

"The National Defense Secretariat (SDN) issued the official documents. The envelope could be opened only by the commander in chief of the brigade. They then called Lt Ruben Dario Zumano Duran, gave him the written orders, and on the sheet of paper were the numbers of the cells of the prisoners who we were supposed to pick up in Military Camp Number 1."

"Which general called Ruben Dario?"

"Edmar Euroza Delgado."

These were the proceedings of the appeals court in Montreal, Canada that was reviewing Zacarias Osorio Cruz' request for political refugee status, which had previously been denied. It was the Immigration Appeals Commission of the Canadian Government, chaired by

three judges: Paul Arsenault, the presiding judge; Rachel Tremblay and Anthony E. Brown, assistants. The hearing took place on 14, 16, 18, 22, 23 and 24 March of this year. The Ministry of Employment and Immigration of Canada was represented by district attorney Gary Blachford. The applicant, Zacarias Osorio Cruz, was represented by defense attorney Stewart Istvanffy.

Osorio Cruz, a deserter from the Mexican Army, private first class, member of the First Battalion of the Riflemen Paratroopers Brigade (quartered in Military Camp Number 1 on the border between the Federal District and the state of Mexico), and the personal assistant of the brigade's deputy chief of staff, Lt Col Eduardo Bonifaz Sanchez, had entered Canada illegally with the intent of seeking political asylum. Canada does not grant asylum, but rather political refugee status. His first request was denied. He was placed in the Parthenais Detention Center in Montreal. He appealed. And the appeals case was heard (PROCESO has the file). Istvanffy conducted the examination; Blachford, the cross-examination.

"These orders were not given on the basis of names but of numbers. We just picked them up, drove them around in a convoy and then took them to the state of Mexico. This was so that they would lose all sense of where they were being taken. This was how we received the orders from the high command."

"Who gave the original order?"

"The general personally called Lt Ruben Dario Zumano Duran. He called me and ordered me to grab my weapons."

"Which general?"

"Edmar Euroza Delgado."

"Was this the general who was commander of the brigade?"

"That's right."

"Whom did he receive the orders from?"

"From the second section of the Air Force, which is the one that includes the military high commands, the military high command of the Air Force; this is where the orders for the paratroopers brigade came from."

"Where is the second section of the Air Force located?"

"Inside the National Defense Secretariat."

"You're saying that the orders came from the Defense Secretariat to the brigade commander. How do you know that?"

"From the papers. Where the papers come from is written down. On the envelope is the information saying whether the paper comes from the second section or from the director of the Army and the Air Force."

"Are you saying that some orders were received directly from the chief of the Air Force and Army?"

"Yes, because he's part of the high command and has the authority to give the order."

"What is this person's name?"

"Jose Hernandez Toledo."

"Did you ever see orders that came from him personally?"

"Yes, on several occasions, when I was straightening out and cleaning my general's office, I had a chance to see the names of the people who were sending orders to the brigade."

"Did Mr Avendano ever comment to you that the Army chief was sending you these orders?" (Istvanffy is referring to Lt Adan Avendano Torres, with whom Osorio had struck up a special friendship, with whom he discussed the national situation and who recommended reading material to him. Avendano had remarked to Osorio that he was unhappy about the "special missions that the high command was entrusting them with; it's not the job of military personnel to arrest and execute civilians." Avendano wanted to leave the Army but a few days after communicating his intention to his superiors, he died mysteriously in a traffic accident. The same fate befell a corporal named Pompin, a comrade of Osorio's on the special missions, when he wanted to leave the Army.)

"Yes, because sometimes Avendano didn't know whether to call someone else, like Capt Miguel Ramirez Hernandez, and he went personally to tell him that he had just received orders from General Toledo for him."

"Can you amplify a bit on your friendship with Avendano?"

"Our friendship was based on the fact that he was a very capable and well-trained individual. He was well educated. But I wasn't, and he used to tell me that the orders coming to the paratroopers brigade were not legal. The special orders that arrived were addressed to specific individuals. Lieutenant Avendano told me many times that these decisions by the military authorities really ran counter to the people of the country."

Avendano was 21 or 22 years old.

The District Attorney

Osorio's testimony in court took all of 14 March and part of the 16th. When Istvanffy had completed his examination, Blachford, who had found many lies and contradictions in Osorio's account, began his cross-examination. Blachford tried to blow his story apart. Until he got to the issue of the murder of civilians.

Blachford: "Let's go back, to the first order that you received, if you can recall it. Did your immediate superior explain to you exactly what you were going to have to do? How did he bring up the matter?"

"I'll tell you how things were. The chief of the Federal Military Police, Moises Vargas Gonzalez, goes to see the commander of the paratroopers brigade. They lock themselves up in a room, talk about things that I don't know of because my only access to them is when I bring them something. When the conversation is over, the commander tells me personally to go and get Lt Ruben Dario Zumano Dario or Capt Miguel Ramirez Hernandez, and they lock themselves up with these fellows and tell them about the special mission. And the captain usually comes out of the room and tells me that we're going to be leaving at this or that hour and that I have to go to the company to get my weapons and my magazines.

"They already have a full-time driver there, and we take a military jeep to the prison. I don't know the names of the people we pick up, because I never had a chance to see their faces (they already have hoods on), because the military commanders don't want us to know who they are. That's why they cover their heads."

"May I interrupt? There's something that I want to clarify. You went to the military prison at the camp with the lieutenant and with the captain. Is that right?"

"Yes."

"Was there anyone else with you?"

"Yes, the corporal who they've now killed." (He is talking about Pompin.)

"So there were four people?"

"No, it was just us two privates and the lieutenant."

"Didn't the captain go with you?"

"The captain and the lieutenant were two people that the high command used. Sometimes I went with the captain, other times I went with the lieutenant."

"Normally just one officer, the corporal and you?"

"Yes. They were special missions that the high command decided on. I couldn't tell you where those orders came from."

"Who had the numbers of the prison cells?"

"When we got to the prison, my lieutenant would usually receive a sheet of folded paper with the names of the persons we were supposed to pick up."

"Excuse me. I want to verify this. Was it the lieutenant who chose the number of the cell at the prison or did he already have the numbers when he left for the prison?"

"We left with the orders already prepared and we gave the paper to the surveillance commander at the prison. This man, who was in charge of prison security, unfolded the paper and directed us to where the cells were."

"And when you got to the cells, the individuals were already hooded and had their hands tied. Is that right?"

"The military prison guards had already prepared them."

"How many did you usually take away?"

"Four or five or seven. I had to do this sort of thing between 15 and 20 times. But I can tell you that more people are being held there. They are tried military-style, and that's all I know because I don't have access to these things."

"Let's go back a bit. It would seem as if before you went to the prison, the prison chief already knew who was going to be taken away. Am I right?"

"Yes, because the commander in charge of prison security is in touch with the chief of military police. You just go and pick them up, because he already knows who they are."

"Now then, when you there go to pick up these prisoners, do you sign them out? Do you sign for three people, five or however many there are?"

"As a private, I'm not expected to do that. That's the captain's or the lieutenant's job."

"Did they do that?"

"Yes, they had to sign a piece of paper. They left the piece of paper that they had brought and took another one that the prison guards gave them, and when we got back from those missions, I don't know who they gave those pieces of paper to."

The attorney and the witness then got embroiled in an argument about words and equivalences between the Spanish and English. Osorio tried to say that they died by military decision. The version of the interpreter, Francois-Paul Cimachowicz, used the word "court-martial." They then became locked for quite some time in a dialogue of the deaf, which kept on recurring during the proceedings. The cross-examination continued:

Blachford: "Alright. You would pick up these people, take them from the prison and put them in some sort of vehicle. What kind of vehicle?"

"They asked for a truck from the first transport regiment, and from there they were taken to the San Miguel de los Jagueyes target range."

"Did you and the corporal and the officer ride in the rear with the detainees?"

"The officer rode in front with the driver, and we rode in the back guarding the people we were transporting."

"Did you drive straight to the target range or did you drive around for a while?"

"First we drove around. They could hear the car horns, they could hear the morning bugle, which can be heard from far away. We drove around the range and then headed for the highway. There are two main gates at Military Camp Number One, number eight and number three. These are the two main gates for vehicles. The driver already knows the way to San Miguel de los Jagueyes."

"So you first drive around the camp and then head straight for the target range."

"Yes. This was to confuse the people, so they would lose their sense of direction of where we were going."

"They were going to die. What need was there to confuse them?"

"I couldn't tell you that. It wasn't up to me to decide whether we drove them around or not."

"How far is the military camp from the target range?"

"I couldn't tell you the number of kilometers. It's in the state of Mexico. To get to San Miguel de los Jagueyes you take the highway from Mexico to Pachuca."

"Once again: how far is it? Do you have any idea in kilometers?"

"No, I never paid attention to the distance. I couldn't tell you how many kilometers it is."

"Is it an hour's drive by truck?"

"Less than an hour, because in Mexico the military trucks don't have to stop at the traffic lights or obey other signs."

"Now then, I assume that there is a guard at the entrance to the target range. Did you have to check in with the guard or were they expecting you and you just drove in?"

"We drove straight in because they had already given them the order."

"I assume that you drove right up to the target range. Did you remove the people from the truck?"

"Yes."

"What did you do then?"

"This is what I mean, sir, when I say that this is very traumatic for me."

"I'm sure it is, but I would like to have a clear idea of how it happened. Who actually fired? Was it you, was it the corporal or was it the officer? Let's do it that way."

"Well. The two of us. The corporal and I were in charge of shooting those people. The lieutenant was there only as a witness that the orders had been carried out."

"Now then, did you sit them down or did you keep them standing? What exactly was their posture when you shot them?"

"We arranged them in a row. After they were down, we took off their handcuffs. Sometimes we didn't even bother to take them off because we were there just to kill them. Other people were going to pick them up. I don't know what sort of people they were. When we arrived, the orders to remove them had already been given."

"Who was present at the shooting, the lieutenant, the corporal and you?"

"Exactly."

"What about the driver of the truck? What was he doing?"

"The driver stayed below. We walked up a hill."

"So the driver was not a witness to what had happened?"

"No. He wasn't a witness. It was not his concern to ask what we were doing or had done. This is why I'm telling you that only a few people were mixed up in these matters."

"You shot them. Did you remove their hoods and handcuffs and then leave? What was the modus operandi?"

"I never even had to identify these people, because they were blown to pieces by the impact of the 7.62 [millimeter] bullets."

"But my question was: Did you remove their hoods and handcuffs or did you just take off?"

"We left right away. It was not up to us to identify them."

"As far as you know, another group was in charge of getting rid of the bodies?"

"I assume so, because the military doesn't want to leave one or two or four bodies there, because after a couple days, you know, they begin to stink and get full of worms, and the really important thing is not to leave traces of what happened. That's what the government of my country does; it leaves no traces, it doesn't leave behind anyone who can talk."

"Did you leave the cartridge cases lying there?"

"Yes, they were left there. Since its a target range, it doesn't matter if someone starts investigating. There's no problem if they find 7.62 cartridges."

"The first time that you were ordered to do this, did you know beforehand what your duty was?"

"No, but they already knew that I was a person who obeyed orders, that I was completely faithful to my duty. They never doubted in the slightest that I would perform these illegal acts."

"Were you surprised when they asked you to do this?"

"The real surprise is when you make your first or second jump from a plane. After that, nothing seems to surprise you."

"I'm not talking about fear. The words are different. When you're asked to kill someone in cold blood, it must be a bit surprising."

"I was carrying out orders from the high command."

"At what time of day did these excursions normally take place?"

"Generally at night, seven, eight, nine or ten at night. These excursions are not taken by day, they're taken at night."

"Always under cover of darkness then?"

"Of course. The government doesn't want people to find out about its illegal acts in broad daylight."

"You did this after the corporal was dead and with the lieutenant some 15 or 20 times. Correct?"

"I can't tell you exactly because I didn't keep count."

"Was it always the same three people, the same lieutenant, the same corporal and you?"

"They didn't use just the lieutenant; sometimes they used Capt Miguel Ramirez Hernandez."

"And it was always the same corporal, you and an officer?"

"Yes, they had assigned me, among the other people, to this sort of work. I can also tell you that they had promoted my captain, Lt Adan Avendano. He wanted to leave the paratroopers brigade, and they killed him."

"We'll get to that. For now though you said before that there were a number of these groups that carried out these special missions."

"Yes."

"How many groups were there, besides your group of three?"

"I can't tell you how many groups the high command designated. They didn't give me any additional information. They only gave me information about the orders that I had to carry out."

"How do you know that there are other groups or that there were other groups?"

"Because I know that they don't use just the first battalion; they use the second and third too."

"How do you know that? Did you hear that from someone? Did you see something? How did you get that information?"

"Because I used to talk with Lieutenant Avendano, and he told me that people from the third battalion were going to leave. I didn't know their names, but I knew that they were going to leave."

Presiding Judge Paul Arsenault called for a recess until 0930 hours on the 18th.

Zacarias' Life

Zacarias Osorio had been under examination for 2 days, and his testimony already filled 157 pages in the case file. He began by telling his life story, which attorney Stewart Istvanffy summarized in his closing argument, in which he said:

"I'm going to begin by taking a look at Mr Osorio's life. He was born in Castillo de Teayo in the state of Veracruz. The town is in the highlands, and the state is in central Mexico, on the Caribbean coast. He was born in a place where there were not even any telephones. He studied until the fifth or sixth grade in a little rural schoolhouse and then left school. Thus, he is semi-illiterate. He has a hard time reading a great many things.

"He spent the first part of his life on his family's farm in the highlands, where he basically devoted himself to farming and to farmwork. He later got work constructing oil pipelines and other things in Veracruz.

"At the age of about 19 or 20 he emigrated to Mexico City, as does much of the rural population, in search of a better life.

"In Mexico City he joined the ranks of the urban disadvantaged. So that the court has a better understanding of this, I am submitting as evidence to the court Elena Poniatowski's book 'Fuerte el es Silencio' [Silence is Strong], which is a historical account of what has happened in Mexico over the past 20 years and draws its inspiration from Mexico's most important publications, such as PROCESO. It deals with the 1968 student movement, with the mothers of missing persons who go to Mexico City to ask about their children and with the missing persons themselves.

"There, in the poverty-stricken outskirts of Mexico City, Zacarias Osorio saw paratroopers landing at the Santa Lucia air base and thought that he could join the paratroopers brigade. He began dreaming of jumping from planes and thus serving his country. He did not know what was in store for him.

"On one jump he fell, was dragged by the parachute and hit his head on some rocks, in spite of his helmet. This is why he does not have a clear recollection of dates and other facts. This is why he testified that he joined the brigade in 1977 and left in 1982. The Mexican consul in Montreal has informed us that he joined in 1978 and left in 1983. It's more or less the same period.

"The day he knocked his head he fell unconscious and woke up in the military hospital. He had a 3- or 4-month recovery.

"He was trained on American equipment and by U.S. military advisers. He got to be an expert in assembling and disassembling rifles and was an outstanding marksman. He won several competitions. He could be described as a model soldier.

"He was the sort of man who did not talk much. He still is. This is why he did not question the orders that were given to him. And this is also why, aside from being in recuperation and not being able to do heavy work, he was named assistant to Col Eduardo Bonifaz Sanchez, the second in command at the barracks, who was later promoted to general and commander of one of Mexico's military zones. The commanders of the brigade from 1978 to 1983 were Gens Furlong Cabrera, Euroza Delgado and Palmerin Cordero. The secretaries of national defense during that period were Gens Felix Galvan Lopez and Juan Arevalo Gardoqui.

"Before becoming Bonifaz' assistant, he took part in special missions outside Mexico City. The paratroopers brigade would go to pick up prisoners in different parts of Mexico. He was in about one-third of Mexico's states. His first mission was to Atoyac, a town in the Guerrero highlands some 50 km from Acapulco. It was one of the places where there were clandestine prisons, as has been corroborated by another witness, Antonio Hernandez. There he picked up eight hooded prisoners and brought them to Military Camp Number 1. The same thing happened on other missions to other states. The number of prisoners varied; there were up to 20 of them, as in Guamuchil, Sinaloa. He was sent to the places where there were political protests or peasant land-grievances.

"I will read the 1985 Amnesty International report," Istvanffy told the court: "'The Amnesty International organization opened files on 19 new disappearances of prisoners, among them 10 youths and students from the state of Sinaloa who were arrested by the police in the late 1970's.'

"Osorio's other missions with his brigade were to Chilpancingo, Tapachula, La Paz, Tampico and Zongolica in Veracruz.

"I did not want him to relate each and every one of his missions, so as not to further prolong his testimony and the proceedings," Istvanffy told the court. "Moreover, all of the missions involved the same thing: picking up and bringing to Military Camp Number 1 a varying number of prisoners (students, peasants struggling for their land and political dissidents) whom the local law enforcement agencies already had waiting. Osorio told briefly of these missions and detailed some of them. The one in Chiapas, where there was also a show of strength, because it is not known whether it was against the local population or against the Guatemalan refugees who were crossing the border. Hernandez Toledo was the commander of the 31st Military Zone in Tuxtla Gutierrez around that time. The one in Coahuila. Hernandez Toledo was the commander of the 6th Military Zone in Saltillo at the time. The one in Sinaloa, where Operation Condor was conducted against the growing and trafficking of narcotics. Hernandez Toledo was the commander of the Condor One Task Force. Another of the commanders of the operation was Lt Col Ramon Ruben Arrieta Hurtado. The ones in Guerrero, because there was still 'a lot of political idealism,' the legacy of Lucio Cabanas, and people kept on demonstrating their discontent. Hernandez Toledo was the commander of the 27th Military Zone in Acapulco during those same years. But there was a special one, in El Porvenir, Guerrero, when Hernandez Toledo was chief of that military zone.

"'Hernandez Toledo,' Osorio testified, 'seized some lands for his personal use. There were major demonstrations by the owners who had been deprived of them. Hernandez Toledo seized the lands based on his authority as a major general and director of the Army and Air Force. So we went to pick up these people in El Porvenir,

who had already been marked for what I told you about before, and I beg you not to harp on it. The dispossessed owners had gone to the government palace in the capital of the state of Guerrero to express their discontent. We went after them. There were between 25 and 30 of them. We found out that Gen Hernandez Toledo had seized the lands because some tactless remarks had been made in the high command and the whole paratroopers brigade found out. And I beg you not to harp on what happened to those people. I don't want to talk about it anymore. They're all dead. We left them in the place that I already told you about.'

"Another of the missions that Osorio has detailed was the one in Tampico. The 15th Infantry Battalion had arrested some people who were 'mixed up in politics.' They were people who had been in trouble with the oil union 'in relation to financial fraud that involved equipment bought in the United States. The order came down that these people had to be eliminated because they could testify against the leader of the union. The leader of the union and the director general of Pemex were very interested in not having these people talk. That's why they put them in the hands of the paratroopers brigade. I can tell you that Jorge Diaz Serrano had contacts with high-level military and civilian authorities. I don't know who these people were. I only know that they could testify and had to be eliminated. We took seven or eight of them, but later the same 15th battalion arrived with more at Military Camp Number 1.'

"Among the units that caused prisoners to disappear was a group called the Black Berets, under the command of Capt Artemio Badillo. They are highly specialized and have taken counterterrorism courses. The Black Berets are part of the White Brigade.

"Osorio acknowledges in his testimony that in spite of the groups whose job was killing, there were many other prisoners who were not murdered and of whose fate he knows nothing."

The Embassy Gets Involved

The Mexican Embassy in Canada, through its consul in Montreal, became involved more or less at this point in the proceedings. Diplomats enjoy immunity and cannot be called upon to testify, as the attorneys and judges argued about at length, but can make voluntary statements. And that is just what Zoila Arroyo Rodriguez, the consul general of Mexico in Montreal, did. She sent three documents to the court. In the first she denied that Gen Jose Hernandez Toledo had been secretary of defense. Osorio never said that he had been. Apparently, as Istvanffy explained, a newspaper story had attributed such a statement to him. In the second she denied that Hernandez Toledo had been director of the Army and Air Force: "That post does not exist in Mexico." According to the "Dictionary of the Executive Branch of Mexico," Hernandez Toledo was assistant director first and later general director of Army and Air Force personnel in the National Defense Secretariat. It was a question of wording. In the third she asserted that Osorio is 33 years old, not 32. She says that he was a paratrooper from 1978 to 1983, not from 1977 to 1982, and gives brief, very brief information on Hernandez Toledo's curriculum vitae.

These documents from the embassy would carry weight in the proceedings. Blachford wanted to introduce them as evidence. Istvanffy was opposed at first because he would not have a chance to examine the consul, given her diplomatic immunity. But he wound up accepting them, not only because they confirmed Osorio's story, while correcting certain dates, but also because they placed Hernandez Toledo in the locations, at the times and in the actions that Osorio had described. This was going to be important in Osorio Cruz' testimony about his desertion from the Army. He said that after the deaths of Avendano and Pompin he had asked Hernandez Toledo, as director of the Army and Air Force, to discharge him from the Army or transfer him to Poza Rica. Blachford seized on the consul's signed and sworn statement to emphasize Osorio's lack of credibility. But Hernandez Toledo was a director in the Defense Secretariat, even though Osorio did not know his exact title.

In his closing argument Istvanffy tried to clarify all of these points, which had taken up so much time and had confused the discussions at the proceedings.

The Desertion

In his summation Istvanffy gave a rundown of Osorio's life. His childhood, his meager education, his adolescence in the slums around Mexico City, his joining the Army as a paratrooper, his training, his special missions all over the republic, his accident and hospitalization, his post as an assistant to Colonel Bonifaz, his special missions of murder in San Miguel de los Jagueyes and San Juan Teotihuacion, the death of his unfortunate comrades. And so on.

Three times Osorio asked to be discharged from the Army or transferred to another Army corps or to Poza Rica, where he would be near his family. He never mentioned his real reasons: he could no longer tolerate the burden, the repugnance and the anguish of the special missions. Twice he addressed himself to his immediate superiors. They rejected his request. He then went to see Hernandez Toledo in his director's office at National Defense. He too turned him down. He decided to desert. He was assigned another special mission. He said he was going to the bathroom. And he escaped. He went to pick up clothing in an apartment that he was renting. From there he went to Poza Rica. He hid on his family's farm for some 15 days. Then he crossed illegally into the United States, without identification papers. He was afraid that they would recognize him, that they would find out who he was. He wandered around the United States for several years, working at whatever he could and doing a little bit of everything: crop picker,

dishwasher, chauffeur and so on. He was cold and stole a jacket from a store in Kansas. They nabbed him. He was driving without a license. They nabbed him.

He began to drink heavily. He got into quarrels and arguments and brawls. They nabbed him again. He was already wanted for three crimes in Missouri. He fled from one place to another. He wound up in Michigan. They nabbed him. And they deported him. The immigration authorities took him to the border on the bridge in El Paso, Texas and told him to head south. He waited until they were gone, jumped off the bridge and reentered the United States, this time on his way to Canada, by way of Toronto. He presented himself to the immigration authorities to request political asylum. They gave him a good beating and locked him up in a detention center until something happened. There he got into a pipe fight with a Salvadoran who saw that he was military and started an argument with him. They sent him back to the United States. He returned illegally to Canada, this time through Montreal. He requested political asylum. He was afraid. He made a completely false sworn statement about his identity, his life and his motives. They denied him political refugee status and locked him up in Parthenais. Montreal human-rights organizations got him a lawyer, Istvanffy. He appealed the denial of refugee status. And the appeals proceedings that he was now in the midst of got under way. He was so anguished and afraid that he did not have a bite to eat during the entire proceedings and did not sleep. But this time he told his true story.

Refugee

Istvanffy finished his account and began his closing argument. But he asked for a stay of proceedings. He had waited in vain for a Mexican witness, Antonio Hernandez, to arrive and, from his angle as a political prisoner who was tortured at Military Camp Number 1, to corroborate Osorio's account, which for the first time was being viewed from the military angle. They had both been at the camp more or less around the same time, one as a prisoner, the other as a soldier.

But Antonio Hernandez did not arrive. The Mexican authorities had detained him in Acapulco until he missed his plane. The judges and the district attorney had grown impatient with Istvanffy's delays. The presiding judge ordered the proceedings to continue and be completed as soon as possible. During a break that the court took midway through defense attorney Istvanffy's summation, however, he received a phone call from Antonio Hernandez. He was at Mexico City airport; everything was in order, and his plane was about to leave. He would be there in a few hours.

The judges granted a recess until the next day so that they could hear Hernandez's testimony, which would take 2 days as well.

After examining Hernandez, the two attorneys resumed their closing arguments. It was Istvanffy's turn, as he had left off midway. And he began anew.

District Attorney Blachford had already charted his approach when he cross-examined the applicant: Osorio was a liar and had no credibility; his story was entirely made up. And he would say the same of Hernandez. Thus, when Istvanffy resumed his summation, he aimed straight at Blachford's arguments. He went about proving that Osorio's statements, save for minor confusions and mistaken dates, were truthful. In Mexico human rights are violated, prisoners and potentially bothersome witnesses are murdered, and therefore Osorio's life was in serious danger if he returned to Mexico. He acknowledged that Osorio's story was not a pretty one but argued that given the circumstances of his past, he deserved a chance to make a new and decent life for himself. He needed help, above all psychiatric help, and it must be given to him. He had spoken out against major figures in the Mexican government, military and police, such as Jorge Diaz Serrano; Moises Vargas Gonzalez, the commander of the military police; Hernandez Toledo (whose actions as commander of the Olimpia Battalion, the one that perpetrated the 2 October 1968 massacre in Tlatelolco, were also mentioned at length during the proceedings) and a series of other generals; Durazo Moreno and Sahagun Baca, who had also been done the favor of eliminating a number of policemen who were getting in their way (Osorio gave a detailed account in his testimony). And there were many others. Osorio could not return to Mexico. It would be sending him to his death.

District Attorney Blachford said that Osorio was lying, "but I think," Istvanffy said, "that if one tries to obtain political refugee status by dint of lies, there are easier ways to do it than by arriving and saying that one is responsible for a long list of murders."

Istvanffy summed up all of the evidence that he had introduced: the testimony of Antonio Hernandez, corroborated by Hernandez' own testimony before the United Nations, on the existence of clandestine jails, on torture, on Military Camp Number 1, on the murders of political prisoners, on the existence of many other missing persons who are still alive, on the struggle of several organizations in Mexico to locate them; the Amnesty International reports confirming what Osorio and Hernandez were saying; the book "Fuerte es el Silencio" by Elena Poniatowski, long and beautiful paragraphs from which he had had translated and read in court.

With regard to Guerrero, he spoke of the right to take up arms against an unjust government, of injustice and of the government's not being entitled to liquidate its political opponents.

He quoted paragraphs from Amnesty International's reports on the elimination of peasant farmers over land issues, in which the security forces have been involved. He quoted in French (he had been speaking in English)

the International Agreement on Political and Civil Rights, to which Canada is party and of which it is a promoter and of which Mexico is a signatory. He recalled the articles of the Declaration of Human Rights that Mexico has signed and violated. And the Inter-American Human Rights Treaty.

He concluded by saying: Osorio's story and the conditions in Mexico that he describes are true and are corroborated by all of the evidence introduced. His life is in serious danger in Mexico, and he cannot be sent back. It is obvious that Mexico has not respected the human rights that a series of international treaties which Mexico has signed proclaim. It is also obvious that Osorio Cruz' testimony will be of great help in Mexico to all who are fighting for their rights and to see to it that their government acknowledges them. Given that Canada is involved in the fight for those rights, it must show Osorio Cruz mercy and grant him political refugee status in this country.

A second reason to so rule is that Osorio Cruz understands and speaks out against the exploitation and severe injustices to which Mexico's poor are subjected. When he was sent to pick up prisoners, he knew that they were people with the same roots as his, Indians, peasants and the poor, who had committed no crime, but had only fought for their most elementary rights. And he therefore asked not to remain part of a system that forced him to liquidate his own people and those who oppose the regime. "For all of these reasons, I ask you to grant him political refugee status in this country."

Istvanffy had finished. It was Blachford's turn. His entire closing argument focused on Osorio's lying, on how incredible his story was, on the fact that he had previously signed a completely false sworn statement. My position, he said, and the position of the Canadian Government, which I represent at this proceeding, is that Osorio is not believable. The way he deserted from the Army is not believable. It is not believable that without even a prior appointment he went to see Gen Hernandez Toledo in his office at the Defense Secretariat, when Hernandez Toledo was in Acapulco, when he was not his superior and when the post that he says he held does not even exist.

It is not believable that the U.S. Border Patrol brought him from Michigan, left him at the border line without handing him over to the Mexican authorities, and then simply left without making sure that he entered Mexico, so that he could once again calmly enter the United States. It is not believable that he jumped, just like that, from the bridge and recrossed the border without difficulty. There is testimony, which was submitted as evidence, from U.S. immigration officials, who assert that Osorio was escorted as far as Mexico. It is not believable that he has changed his way of life because he saw God or was converted. It is not believable that he was named Bonifaz' assistant because of his qualifications or his discretion. It makes no sense. They put him in there because he was wounded and couldn't do anything else. The story that he told us about the famous or infamous (that depends on how you look at it) General Toledo at the 1968 massacre, 20 years ago, is not believable. It is not believable that he doesn't even know his father's name and that he gives us one name when his own birth certificate gives another. It is not believable that the government has ordered people who could testify against Diaz Serrano and Durazo killed when the same government was going to jail them (Osorio had not said that it was the government, Istvanffy emphasized in his reply, just Diaz Serrano and Durazo and the leader of the oil union themselves, through their connections in the government and in the military.)

The murders of Avendano and Pompin are not believable. He probably confused Avendano's accident with Carlos Loret de Mola's and dreamed up the story as a result.

It is not believable that they tried to make the prisoners lose their bearings when they were taking them to be killed. It is not believable that they heard the morning bugle at night. It is not believable that they killed them in the dark. How can you shoot at night? It is not believable that he was arrested three times in the United States without going to jail, without being asked for his papers, without being deported, because he was an illegal immigrant without an identity.

Blachford went over Osorio's entire testimony this way, point by point. He concluded: It is not believable, it is not plausible, it is not reasonable, it makes no sense, it rings false.

He did the same with Antonio Hernandez' testimony. He sought to portray the witness as a leftwing extremist, a Trotskyite, a guerrilla, too politicized to tell the truth, evasive, a self-styled human rights activist because he defended them by violating them, a kidnapper (implicating him in the kidnapping of Ruben Figueroa), a terrorist and even a murderer. And for all of these reasons he disputed his testimony.

He concluded: "The first issue is credibility. He deserted from the Army, admits that he perjured himself under oath, lied many times to immigration officials, lied at this proceeding. His story is full of holes to any reasonable individual. And, therefore, he should not be granted political refugee status."

The district attorney had finished. The defense attorney replied, refuting his points one by one, pointing out that there were no lies, although there were inaccuracies, and explaining why Osorio had made a false statement under oath: he was afraid and wanted to conceal his true story and his identity. The judges declared the proceedings closed and took the case under advisement for a final ruling. They had 6 months to reach a decision.

The following day, 25 March, they made their decision and ruling public. Zacarias Osorio Cruz was being granted official political refugee status in Canada. He was released on bail, with an obligation to undergo psychiatric treatment. Only his attorney knows his present whereabouts.

Former Prisoner on Disappearances

32480117 Mexico City PROCESO in Spanish
No 598, 18 Apr 88 p 15

[Article by Enrique Maza]

[Text] Antonio Hernandez finally made it to the proceedings through which Zacarias Osorio Cruz, the Mexican Army deserter, was requesting political refugee status in Canada. And he took the witness stand.

He explained that he was appearing before the Canadian court "to present evidence of repression and of the human rights violations perpetrated by the Mexican Army in many areas of the country, mainly in Guerrero." He had come as a representative of the Committee for the Defense of Political Prisoners, Persecutees, Missing Persons and Exiles of Mexico (CPDPP-DEPM) and of the National Front Against Repression. He gave a brief rundown of the organizations and their objectives. He then listed his activities as a representative of these same organizations, both on the domestic and international scene. He later told of his address to the United Nations and submitted its text, all of it having to do with the illegal detentions and the disappearances of prisoners that military personnel and various police corps were responsible for.

He has personal knowledge of this, because the military twice caused him to disappear. He wanted to offer his personal testimony. And he spoke of Mexico's and Latin America's struggle to rescue the more than 90,000 missing persons in Latin America and to introduce national and international legislation that would punish the forcible disappearance of individuals.

He did not know and had never spoken with Osorio until that morning.

He said that Gen Jose Hernandez Toledo has specialized in repressing political movements. He spoke at length of his involvement in the crackdown on students in 1968. District Attorney Blachford objected, arguing that what happened in Mexico in 1968 had nothing to do with this case. The judges overruled his objection.

Hernandez then related that he had joined the revolutionary movement in Guerrero, the organization called the Party of the Poor, which was led by Lucio Cabanas Barrientos. Then came the crackdown: 15,000 soldiers in Guerrero, of the 65,000 that Mexico has. Takeover of towns, looting of homes, systematic torture, disappearance of political opponents, abolition of constitutional rights, requiring passes to circulate, military checkpoints on roads.

In 1975 Hernandez was detained at a checkpoint, forced to get out of the bus, promptly beaten, tied hand and foot, blindfolded, searched and stripped naked. They pretended to kill him and took him to Pie de la Cuesta in Acapulco. There they tortured him again. Electric shocks until he lost consciousness. Interrogations. Immersion in a water tank.

In 1978 he was again arrested by the White Brigade and taken to 8 Cerrada de Morelia in the Federal District. He gave a lengthy rundown of his odyssey as a political prisoner. The clandestine jails in Guerrero, Atoyac, Chilpancingo, Iguala, the Icacos Naval Base, the old Papagayo Hotel in Acapulco, Pie de la Cuesta, Cuernavaca, Morelos, Military Camp Number 1. Hernandez Toledo ran the operations in Guerrero, as he ran them in the north and south.

He told the story of Mario Alvaro Cartagena Lopez, alias El Guaymas, and the tortures to which he was subjected. He lost a leg. (Guaymas himself confirmed these facts in PROCESO and told his story.)

At present there are still 543 political prisoners. As evidence Hernandez submitted the complete list of them, as published by the CPDPPDEPM. The document was admitted by the court. It gives the name of each, the date and place of detention-disappearance and the arresting institution. If the information is available, the name of the person in charge of the institution is also given. For example: Teresa Torres Ramirez de Mesa, housewife, 21 years of age, detained on 31 January 1976 in Acapulco, Guerrero by troops and police under the command of Otoniel Tarin. There are 543 such entries.

He related how the cases are documented and brought before the United Nations. The documents are studied there, and if they are considered complete, the case is accepted as a disappearance. The 543 Mexican cases are in this category. The fact that all of these cases have been brought before the United Nations and Amnesty International has prevented an increase in the number of missing persons.

The repression and disappearances began in the 1970's.

Hernandez confirmed what Osorio had said about the paratroopers brigade, which specialized in counterinsurgency operations and in special missions of this sort under the command of Gen Hernandez Toledo. He said that the country's main trouble spots could be identified just by following the general's trail: Sinaloa, Guerrero, Chiapas, Coahuila, Veracruz, etc. From 1972 to 1982 he played a major role in counterinsurgency policy.

Hernandez recalled that before Osorio Cruz only one person had given testimony like his. A member of the Federal Security Directorate (he did not give his name) testified that he had committed five murders on orders from the Federal Security Directorate, which is under the Interior Secretariat. Osorio was the first person, however, who had belonged to this type of brigade and was involved in this sort of activity and who told of it.

He also indicated that if Osorio Cruz returned to Mexico, his physical integrity would surely be in grave danger because of what he has said here. His testimony confirms that the military has operated illegally in the country.

He reported that the White Brigade was created during the 12 years that the current governor of Veracruz, Fernando Gutierrez Barrios, was in charge of political repression in the country in the Interior Secretariat. It was also he who appointed Miguel Nassar Haro chief of the Federal Security Directorate.

In short, he thought that Osorio's life would be in grave danger if he returned to Mexico.

8743

Investors Coalition Attacks Stock Market Abuses

Anger Aimed at Legorreta Firm

32480118 Mexico City PROCESO in Spanish
No 597, 11 Apr 88 pp 14-16

[Article by Carlos Acosta]

[Text] Victimized by brokerage houses and by the authorities defending them, the investors who lost in the stock market since the October crash (they call themselves "victims of the stock exchange earthquake") could not take it any longer. Hundreds of them (actually thousands were defrauded) have decided to take joint action against the brokerage houses.

Several reasons spurred them into action. Some 200 billion pesos at least are at stake, and much of it was virtually stolen. Individual or group losses range from 20 million to 10 billion pesos. When investors took action on their own, for more than 6 months they came up against not only the arrogance typical of brokerage houses but also the complicity, as far as they are concerned, of the authorities. All of the legal actions that they have undertaken have been fruitless or have yielded little result, even though the pertinent laws are on their side.

For their part, not wanting to give back a nickel to the investors whom they fleeced with impunity, the brokerage houses are availing themselves of their friendship and common interests with public officials. They are also taking advantage of investors' ignorance about the stock market and the incompetence of the offices of the various attorneys general (of the Republic, of the Federal District and the tax attorney of the federation), who are passing the buck back and forth as complaints mount. In addition, they are exploiting the administrative sluggishness and inadequacy of the National Securities Commission (CNV) and the National Banking and Insurance Commission.

PROCESO has witnessed the pioneering attempts to form an investors coalition. Some 300 of them have been involved, even though the "victims" run into the thousands. At least half of those who have decided to take joint action are clients of Eduardo Legorreta Chauvet's Stock Trading Brokerage House. It is the largest of the 26 in the market, has the most clients, is among the most profitable but also, according to the testimony gathered, is the one that engaged in the most scheming, that caused its investors to lose the most, that stole the most and, consequently, that is the most discredited at the moment.

Hundreds of claims, suits and even criminal charges are pending against the firm; all of them have a sound basis in the law, and from them we can gather that the complainant is in the right. But none of them has been successful. They are on ice in the offices of government prosecutors; the Finance Secretariat is not moving a finger, and the National Securities Commission "is letting investors die a lonely death," as they themselves charge.

The list of irregularities committed against clients is endless: arbitrary use of portfolios; the signing of spurious blank contracts to be filled in later when convenient; charging twice and three times the legally permissible interest; improper and unjustified retention of clients' money; forging of signatures; undocumented transactions without consulting the client; refusals to physically hand over shares; the compulsory inclusion of shares of the brokerage house itself in the clients' portfolios; making trades (especially options trades) without the consent of the investor; unsolicited loans; arbitrary collection of collateral, and on and on...

There is a consensus among the attorneys attending the investors' meetings; many of these irregularities constitute clearly identifiable crimes, and the most common crimes at that: fraud, theft, dispossession, misrepresentation, breach of trust. If the provisions of the law were enforced, many employees and owners of brokerage houses would already be in jail. And more than a few public officials would be there too for aiding and abetting them.

The attorneys who have been advising the people attending the meetings to form the Investors Coalition are Mario Fernandez Raya, Victor Manuel Montoya, Gustavo Diaz Castro, Bruno Paredes, Esquilo Diaz Luque and Carlos Gonzalez Ferrole. They too agree that the brokerage houses, with the complicity of the authorities, are haughtily breaking the laws and regulations that apply in such matters: commercial law, criminal law, the

Securities Market Law, the Law Regulating the Public Service of Banking and Credit, the General Regulations of the Mexican Stock Exchange and even the constitution itself.

In effect, says attorney Mario Fernandez Raya, among the many articles of the constitution flouted by the brokerage houses are, for example, numbers 14 and 16. The former provides that "no one can mete out justice to himself by his own hand." The Stock Trading Brokerage House does just that, he notes. When it causes a client to incur losses and feels that he owes it money, it seizes other shares from his portfolio to collect. Not only is it thus circumventing the appropriate courts; it is directly violating individual rights.

Article 16 of the constitution, he says, provides that no one can be imprisoned for personal debts, and the Stock Trading Brokerage House has violated it by wanting to force its clients to pay in various ways.

The investors' common complaint is that the National Securities Commission, besides asking them "not to make waves against the brokerage houses," has told them that the employees of these financial institutions cannot be prosecuted because they cannot be charged with any specific or general crimes. Their attorneys reply that the Securities Market Law itself provides sufficient grounds for charging them with fraud and breach of trust. The reason is that most of the dissatisfied investors complain that the Stock Trading Brokerage House refused to hand over the shares when a client requested them. The attorneys argue that the house cannot improperly retain an asset (in this case, the shares) whose custody, not ownership was entrusted to it. All that is needed for charges to be brought is proof that delivery of the shares was formally requested.

At the preparatory meetings of the Investors Coalition there has been particular ill will against the brokerage firm of the brother of Agustin Legorreta, the chairman of the Business Coordinating Council (CCE), although other, much smaller firms have not escaped either, such as the Bolsa Mexico house, which is owned by the Autry brothers who are wealthy businessmen.

There is no lack of reasons for having it out with the Stock Trading Brokerage House, say unhappy investors. They charge that it: openly failed to execute the clients' buy or sell orders; refused to accept orders in writing so that, should the need arise, the investor would not have evidence for his case; high-handedly held on to the shares that clients asked to have delivered to them; never sent the confirmations of the trades that it was ordered to make; "foisted off" stock in the brokerage house itself on clients by force or by trickery (this was the most inflated stock of all and, therefore, plummeted the most, from 19,000 to 800 pesos a share); blocked the clients who wanted to get out of the market: "There aren't any buyers," it told them, while the brokers themselves and their preferred clients did, in fact, sell when prices were at their peak; made options trades without the client's consent; the promotion account executives did as they pleased with clients' portfolios; sold the shares hypothecated in options trades, in advance and without notifying the client; made high-risk trades when a client wanted only the security of fixed income; recommended buying or bought without the client's knowledge when the market was giving a clear sell indication; and finally, when the crash came, tried to shut down all communication channels to keep clients on the hook as they were clamoring to sell their positions.

These were not the only irregularities; signatures were forged, as in the case of investor Maria del Socorro Lopez Juarez, and contracts were altered, as happened to Francisco Covarrubias. All such irregularities, in any case, are specifically punishable under the Securities Market Law. Article 52 bis of the law says that managers, officers and empowered employees who deliberately make use of the funds or securities received from clients for purposes other than those contracted for by the clients will receive a prison term of 2 to 10 years and a fine of between 1,200 and 12,000 days salary.

Article 52 bis (1) of the same law also says that those who neglect to record the transactions made by the brokerage house or who scheme to alter the ledgers or allow them to be altered to conceal the true nature of the trades conducted, thus affecting the mix of assets, liabilities, memorandum accounts or earnings, will receive a 1- to 10-year prison term and a fine of 10 to 10,000 days salary.

Nonetheless, although the provisions of the law are clear, the investors and their attorneys (the ones who can still afford the privilege) have run across many insurmountable obstacles in the various bodies having legal jurisdiction. The best they can do at the National Securities Commission is to have their story heard. They rarely achieve conciliation at Conciliation Board meetings, and the board's authorities do not have the money, and often the desire, to help dissatisfied investors even if they are in the right. If a case comes to court, they encounter total incompetence in dealing with the matter, whether because judges are not familiar with stock market problems, because of the typical red tape or because an understanding exists with the officers of the brokerage firms.

When the matter comes before government attorneys' offices, they pass the buck back and forth. This is the province of the attorney general; this is the province of the Federal District attorney, they tell each other. The most that the Office of the Attorney General of the Republic, for example, ever does is remit the matter to the Office of the Tax Attorney of the Federation (of the Finance Secretariat) so that under the Securities Law it can request the appropriate legal action, after the opinion of the National Securities Commission has been

heard. But the Finance Secretariat neither requests action against the brokerage firm being charged, nor does the CNV issue an opinion against the defendants.

Quite to the contrary, investors have told PROCESO. The commission has taken an indulgently abetting attitude towards the brokerage houses and often goes so far as to ask investors not to attack the firms because, on orders from the Finance Secretariat, "sources of jobs and financing have to be protected." They also say that it would be better for them to reach good will agreements with the officers of the brokerage firms. When they attempt this, however, all they get, they say, is trampled rights, arrogant reactions and crude, self-seeking and brazen treatment: "Do whatever you want about it; we've got you beat."

Indeed, the investors have found that the officers of the brokerage firms, the Stock Trading Brokerage House in particular, are openly defiant of them. They know that they are protected and thus are astonishingly apathetic and slow to act. What they clearly want, investors tell PROCESO, is to drag out the judicial pleadings, which like regular commercial suits can take up to 3 years to resolve.

The only cases in which the officers are willing to "dialogue" is when the firms have caused clients to lose all their money, and then some, and the clients thus owe money to them. In such cases they have adopted "an odd approach to negotiation," in the words of investors who are in this situation. They are simply told: "Pay me half of what you owe me, and that's the end of it." In other words, if they failed to make something during the crash, they want to make up for it now at the expense of those who actually owe them nothing. "They want to do like Jalisco," one investor says sarcastically, "which never loses and when it loses, steals a win."

But if the investor does not accept this "good will offer" to pay only half of what he owes, there is nothing to stop the brokerage houses from suing the client and even attaching his property, even if he lost all his assets through the firm's fault.

It is under these circumstances that the investors have decided to take concerted action, inasmuch as they have been defenseless and abused when acting alone. They have even resolved to remove their make-up, take off their ties and demonstrate, if necessary, in the streets. They have now started to conduct in-depth, joint investigations into the illegal acts in which the brokerage firms have engaged, many of which remain unknown to the public. For the time being they are gathering evidence not only so that the brokerage houses can be officially audited but also so that the charter under which they operate can be revoked. They have uncovered scheming between brokerage firm employees and public officials and have identified some of the ways in which the former sidestep the Treasury with the greatest of ease. They are working, they say, not only in their personal interest but also to take the lid off the big sewer that will no doubt emerge from the obvious connivance between stock brokers and government authorities.

Legorreta Firm's Operational Data

32480118 Mexico City PROCESO in Spanish No 597, 11 Apr 88 p 15

[Article by Carlos Acosta]

[Text] Until the month of the stock market crash, October 1987, the Stock Trading Brokerage House was a happy house. It was number one among the 26 brokerage firms in practically all respects: profits, accounts, number of employees, clients and branches, infrastructure, productivity, up-to-date services, and presence in the interior of the republic. For all these reasons it enjoyed great prestige in the brokerage community.

The numbers left no room for doubt. From 1 January to 31 October 1987 it reported the highest profits: almost 92 billion pesos, 20 percent of the total profits posted by the 26 brokerage firms. Its closest competitor was Inverlat, the firm owned by Agustin Legorreta, the brother of the Stock Trading Brokerage House's main shareholder, Eduardo Legorreta; it earned 65 billion pesos, in other words, 27 billion less. By posting these net profits, Stock Trading Brokerage was far, far ahead of the firm that made the least over this 9-month period, Allen W. Lloyd, which earned just 519 million pesos. A vast difference.

The public's confidence in Stock Trading was manifest: it was taking in almost 700 billion pesos a month, an amount that not even banks, except of course Banamex and Bancomer, could aspire to. It also gained 6,000 to 7,000 new clients a month. What is more, of the 246 brokerage house offices in the entire country, almost one-fifth were Stock Trading's. Some of its prestige also rested on its modern computer system, enhanced by satellite communication services. It earned even greater respect and an even better reputation for conscientiousness in brokerage circles when in January 1987 it set up its own Stock Exchange Training Institute in an attempt to put an end to a notorious problem in all brokerage houses: the lack of highly qualified advisers, executives, promoters and agents.

Everything was coming together to enhance the prestige of Stock Trading. Even the names of its main shareholders, businessmen of wide renown, were a lure for the public: Claudio X. Gonzalez, Prudencio Lopez, Isaac Saba, Adrian Sada, Guillermo Ballesteros, Ignacio Aranguren, Antonio Madero Bracho and, of course, Eduardo Legorreta himself.

Nonetheless, Stock Trading did not enjoy the pleasure of being the best for long. It showed its true colors during the course of the collapse. It reported the biggest loss in November: 33 billion pesos, followed by Roberto Hernandez' Acciones y Valores with 11 billion. In spite of

this loss Acciones y Valores posted the highest net profits from January to November, 91.3 billion pesos, a little over 30 billion more than the Stock Trading Brokerage House.

Although it did not lose in December, it recorded profits of just 355.3 million pesos, which put it in 13th place. Invermexico, a much smaller brokerage firm, reported profits of 24 billion pesos that month, more than 90 times Stock Trading's.

Having been number one in profits up to October, Stock Trading finished the year in fourth place with 59 billion pesos, 33 billion less than Acciones y Valores, which came in first.

The lack of confidence in Stock Trading spread in the 3 months after the start of the crash. Clients were leaving in droves. In October it handled more accounts than anyone: 75,425; by January of this year it had 8,000 fewer. In terms of handling clients' cash and securities, it went from 5.4 trillion pesos in October to 4.3 billion, in other words, 1.1 trillion pesos less.

Another example of the lack of confidence in Stock Trading and of its loss of prestige: whereas it controlled 23.1 percent of the share market throughout 1986, it dropped to 18.2 percent in 1987; whereas in 1986 it had the largest share, 12.6 percent, in the money market (Treasury certificates, commercial paper, banker's acceptances, businessmen's brokerage notes and promissory notes), it wound up with just 10.8 percent at the close of 1987.

Furthermore, the brokerage-firm stock that suffered the steepest fall was none other than Stock Trading's (code: CBOBSA); having once sold for as much as 20,000 pesos a share, it dropped to less than 1,000.

Among Stock Trading's clients and stock-market analysts there is only one explanation for the firm's loss of prestige: the abuses, the eagerness to engage in high-risk trading at the expense of clients and the desire to keep it all.

8743

Pemex 1988 Investment Plans

32480124 [Editorial Report] Mexico City EXCELSIOR in Spanish of 12 April 1988 publishes a report on pages 25-A and 34-A indicating that Pemex plans to invest 2.8 trillion pesos in 1988 to maintain primary production, marine structures, and other construction projects. The report cites as its source Pemex projects official Rodolfo Maya, speaking on 11 April at a Pemex seminar on quality control.

New Peasant Groupings

32480125 [Editorial Report] The 17 April 1988 issue of Mexico City LA UNIDAD in Spanish, the national organ of the Mexican Socialist Party, reports on page 6 that on 10 April the Independent Central Organization of Agricultural Workers and Peasants, the Popular Peasant and Worker General Union, the Union of Rural Workers, and the National Union of Agricultural Workers (UNTA) signed a 9-page document expressing their decision to work together permanently in discussing ways to bring about a new Agrarian Reform Law and to carry out actions aimed at eliminating the agrarian amparo and the Agricultural and Livestock Development Law, defending the ejido and other communally-held lands, assuring the immediate implementation of presidential decrees dealing with disputed land titles, and insuring that properties in the category of "small landholdings" are, in fact, limited to 20 hectares. They further agreed to carry out a national campaign involving marches and the seizure of land and offices. According to a related article appearing in Mexico City PUNTO in Spanish of 18 April 1988 on page 12, another peasant grouping, which is associated with the National Democratic Front, includes among its membership individuals coming to it as a result of a split in the UNTA. The article indicates that while they work independently, both of these groups are agreed in their opposition to the PRI-affiliated National Peasant Confederation, which they regard as having violated the agrarian principles enunciated during the presidency of Lazaro Cardenas.

Birthrate Drops to 2 Percent

32480123 [Editorial Report] According to a Mexico City EXCELSIOR in Spanish 14 April 1988 report carried on pages 5-A, 38-A, Health Minister Guillermo Soberon announced on 13 April that the nation's birthrate is continuing to decline, falling from 3.1 percent in 1980 to 2 percent in 1987. During this period, he said, the population increased from 69.7 million to 81.2 million.

Status of Haitian Maritime Lanes Concerns Military

33480116c Caracas EL NACIONAL in Spanish 24 Mar 88 p D-6

[Article by Hector Landaeta]

[Text] General Lorenzo Martinez Serrano warned yesterday that Venezuela must take firm steps to prevent Cuba from controlling the so-called Windward Passage near Haiti, which is a maritime channel of vital importance to the country's international trade.

Gen Martinez Serrano's warning was issued in the course of the seminar on Venezuela and the Caribbean being sponsored at the Higher Naval War School by the Education Department of the Venezuelan Navy.

General Martinez, in discussing the geopolitical objectives of Venezuela, explained that the Windward Passage near Haiti might come under Cuban control in the event of a subversive political rebellion in Haiti. This would restrict Venezuela's maritime transit, in addition to the current restriction on air transit.

For these reasons, Gen Martinez Serrano recommended to his audience of officers yesterday that Venezuela, taking advantage of its status as a relatively stable country economically, extent a hand to the Haitian nation. In so doing it would also develop its sphere of action in the direction of the Caribbean within the framework of closer Venezuelan relations with this region.

In this connection, he announced that in the coming months, a Venezuelan military mission will begin work in Haiti with a view to intensive cooperation with that Caribbean nation. According to this officer, Haiti has now turned its back on the United States, which in the past supported the Duvalier dictatorship.

Gen Martinez Serrano said that despite the seeming tranquillity on the island, there have been serious subversive elements in Haiti. In the general's opinion, the extreme poverty suffered by the Haitian population and the lack of an organized centrist or right-wing political force paves the way for subversion and exploitation by the international left wing for the purpose of subverting the political regime. Cuba would take advantage of such a development, in an attempt to control this important maritime passage, among other goals.

He said that the United States has withdrawn the support it previously gave to the Duvalier dictatorship, and that in view of this situation, Venezuela should take strategic action by extending a hand to a country with which it has undeniable historical links.

On the other hand, he noted that Venezuela's relationship with Haitian President Leslie Manigat, who lived in Venezuela for many years, has facilitated this cooperation, which cannot be set aside, moreover, from the humanitarian point of view.

In the opinion of Gen Martinez Serrano, we now have an excellent opportunity to increase the Venezuelan presence in the Caribbean. The Windward Passage to which General Martinez Serrano referred is a very important maritime route for Venezuela, since in addition to other traffic, our oil export vessels pass through it.

Within the next 6 months, General Serrano announced, the Armed Forces will implement an intensive cooperation program in the realms of health, education and the training of paramedical personnel. He described the situation in Haiti in dramatic percentage terms. He said that there is 80 percent illiteracy, and education is almost unavailable in some provincial sectors of the country. He admitted that the recent elections were not sufficiently clear, but he noted, however, that Leslie Manigat is, in any case, a president with a democratic background, which would have to contribute to the achievement of his goal of consolidating a democratic space on the island. This is not, in the general's view, a task which can be accomplished overnight.

He said, moreover, that the Haitian Armed Forces have solid military training, and they have no special interest in maintaining political control over the country, a circumstance which should be exploited in pursuing the path toward democratization.

5157

Line of Credit Approved for Argentina

33480115b Caracas EL NACIONAL in Spanish 26 Mar 88 p D-10

[Article by Wilmer Ferrer]

[Text] The Bank of the Argentine Nation and the FINEXPO signed an agreement yesterday pertaining to a million dollar credit line which will be used to finance Venezuelan exports to that country in the southern part of the continent.

The protocol was signed by the vice president of the FINEXPO, Policarpo Rodriguez, on behalf of Venezuela, and by Luis Alberto Palacios, a vice president, on behalf of the Argentine bank. He was accompanied by the representative of the bank in Venezuela, Luis Alejandro Ubaldo, and the assistant general manager of the international division, Osvaldo A. Moreira.

In recent years, Venezuelan exports to Argentina have totaled about $15 million. It was on the basis of this figure, as well as the desire to encourage and develop sales of Venezuelan products in Argentina, that this credit line was negotiated.

The trade balance between the two countries favors Argentina, although in the last few years a substantial decline has been seen in the Argentine goods marketed in Venezuela, while Venezuelan manufacturers have stepped up sales in that southern country.

The trade balance has developed as follows since 1984, in millions of dollars:

Balance	1984	1985	1986	1987
Exports	146	67.9	43.1	40
Imports	2	0.6	5.9	13

According to information provided by Palacios, there is growing interest in Argentina in purchasing Venezuelan products, and it is possible that if talks along these lines are successful, purchases of aluminum will be made in the future. However, this product would have to conform to the specifications of the Argentine industries. Argentina imports all the aluminum it needs from Australia, but because of the geographic proximity, it could do so more economically from Venezuela. It would be necessary to establish, moreover, whether Venezuelan prices are more competitive on the international market.

It was revealed that one of the most interesting Venezuelan exports to Argentina is automobile parts, for Ford vehicles in particular.

The vice president of the FINEXPO, Policarpo Rodriguez, said for his part that this million dollar figure will likely be increased, depending on how it is managed and whether the purchasers ask for an increase in the amount. A first credit line agreement was signed with the Bank of the Province of Argentina some time ago, but it was not as successful as had been hoped.

For this reason there is a desire to see how this line works out, and to the extent that the participants ask for an increase, the FINEXPO will be prepared to allocate additional funds.

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Technical Cooperation Agreement Signed With Japan

33480115c Caracas EL NACIONAL in Spanish
7 Apr 88 p D-1

[Text] The governments of Venezuela and Japan have signed a technical cooperation agreement in connection with the state visit being paid by President of the Republic Jaime Lusinchi.

By means of this document, the two countries have agreed to make an effort to promote and consolidate bilateral technical cooperation, through mutual collaboration, and to provide each other with support in the implementation of specific technical cooperation programs.

The agreement will facilitate technical training in Japan for Venezuelan citizens, and also, Japanese experts and missions will be sent to undertake studies of economic and social development projects in Venezuela.

The Venezuelan government will ensure that the techniques and knowledge acquired by Venezuelan nationals as a result of Japanese technical cooperation contribute to the economic and social development of Venezuela. With a view to the implementation of this cooperation, the Venezuelan government will provide the usual and necessary facilities generally made available to missions from other countries engaged in technical cooperation activities in Venezuela.

This agreement has the distinction of being the first of its type signed between Venezuela and Japan since diplomatic relations were established 50 years ago.

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1987 Export Report Summary

33480115a Caracas EL UNIVERSAL in Spanish
27 Mar 88 Sec 2 p 4

[Text] Venezuelan exports in 1987 came to a total of 4.4804 billion kg and 19.5431 billion bolivars, or $1.3485 billion. These figures, when compared with those from 1986, show declines of 2.1, 15.9 and 1.8 percent, respectively.

This information was made available by the Central Statistics and Data Office (OCEI) in its bulletin on 1986-1987 Venezuelan exports, which included the figures for iron and oil exports.

The OCEI reported that of these totals for Venezuelan exports in 1987 (4.4804 billion kg and $1.3485 billion), 29.2 percent went to the United States, 19.2 percent to Japan, 9.8 percent to Colombia and 6.6 percent to Holland. These were noted as the leading destination countries.

Exports by Sectors

In reporting the declines of 2.1, 15.9 and 1.8 percent for volume, value in bolivars and value in U.S. dollars, respectively, between 1986 and 1987, the OCEI report noted that, "this development was due basically to the reduced exports of the farm sector and mineral products."

In the detailed analysis by sector, it was reported that Venezuelan exports in 1987 in the farm sector came to a total of 73.2 million kg, worth 918.3 million bolivars or $63.4 million. The declines seen were 60.6, 74.1 and 66.2 percent, respectively, in comparison with 1986.

During the year under study, exports of mineral products came to a total of 1.1185 billion kg, worth 423.6 million bolivars or $29.2 million. These figures showed a reduction, in comparison with 1986, of 24 percent for volume and 37 and 29.4 percent, respectively, for the bolivar and dollar values.

Destination Countries

The OCEI report said that exports to the United States came to a total of 1.6332 billion kg with a value of 5.703 billion bolivars or $393.5 million. These figures show declines of 20.6, 31.5 and 18.5 percent, respectively, from the 1986 figures.

Venezuelan exports to Colombia in 1987 came to a total of 304.1 million kg worth 1.9055 billion bolivars or $131.5 million, showing increases over last year of 19.3, 3.3 and 20.4 percent, respectively.

The OCEI bulletin also reported that Venezuelan exports to Japan in 1987 came to a total of 238.2 million kg worth 3.7504 billion bolivars, or $258.8 million. These figures showed a drop in volume of 3.9 percent but increases of 10.2 and 23.7 percent, respectively, in the bolivar and dollar values, as compared to 1986.

Venezuelan exports to Holland in 1987 came to a total of 94.4 million kg worth 1.2806 billion bolivars or $88.4 million. In a comparison with the preceding year, these figures show a decline of 4.5 percent in volume and increases of 60.2 and 89.7 percent, respectively, in the bolivar and dollar values.

Finally, the report of the OCEI on Venezuelan exports in 1987 noted that there were expanded markets for the products exported to Finland (liquid ammonia), Norway (molasses and aluminum oxide), Switzerland (aluminum oxide and urea), China-Taiwan (wire, rods, hot-rolled iron and steel bars), Hong Kong (square and rectangular rough-dressed products and iron and steel billets), Libya (seamed iron and steel pipes) and New Zealand (aluminum containers).

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Report Analyzes Economy, Stresses Strategic Planning

33480116b Caracas EL UNIVERSAL in Spanish 29 Mar 88 Sec 2 p 2

[Article by Bernardo Fischer]

[Text] The extreme dependence of Venezuela on as volatile a market as that in the oil sector has forced the national government to revise its planning methods and to introduce the practice of strategic planning for the first time.

The report, which will be presented by the Venezuelan delegation today at the 10th Regional Planning Council (ILPES) Board Session by the Venezuelan delegation, analyzes the experience acquired with the strategic planning system, since ours was the first country in the world to undertake to utilize this mechanism.

According to the report drafted by the CORDIPLAN, with the implementation of the Fifth National Plan, a complex of expectations began to develop in the economic sector which made it necessary to contemplate the growing need to revise the planning methods in effect.

The first six national plans were drafted earlier in accordance with normed planning practices, while the Seventh Plan was drafted on the basis of the strategic planning principles..

The document being presented by Pedro Jose Madriz notes that the most important factors in this change in planning strategy were the following:

1. The characteristics of the Venezuelan economy, particularly in connection with its level of dependence and foreign vulnerability, resulting from the fluctuations and instability of the international oil market, affected the availability of resources and made it possible to revise the dimensions of the public investment programs. The oil boom had a positive effect on the Fifth National Plan, while the drop in prices threatened the Sixth National Plan. Both plans ceased to be effective a few months after having been submitted to the public for consideration, which led to a serious questioning of the usefulness of the Plan Book. This method leads to a disparity between the speed with which the situation is changing and the speed with which the plan can be revised.

2. The government decided that the macroeconomic projections should be presented not on the basis of a finished and certain conclusion, but in variations contemplating different scenarios and leaving the conclusion open, with allowance for some uncertainties.

3. The crisis which developed beginning in 1981 made it necessary for the CORDIPLAN to intervene in the drafting, implementation and assessment of the short-term economic policy, which meant a basic change in its traditional role in the analysis and resolution of situational problems.

This change was due to the desire at the CORDIPLAN to make the short-term economic policy consistent with the medium-term goals and policies set forth in the Sixth Plan.

4. It was necessary to go beyond the descriptive list of the problems to be attacked during the plan period in a search for a more profound examination of the causes which led to the problems and their systemic interrelation.

5. It became increasingly clear that there was a growing need for continuous evaluation mechanisms which would make it possible to establish the extent to which the programs and projects have been fulfilled and followed up, so as to introduce the necessary corrective measures and pursue policies contributing to the verification of plan fulfillment in the short and medium run.

Results

The CORDIPLAN report on this new experiment indicates that the change made it necessary to undertake a complex of reforms of the Venezuelan National Planning System, since this was the first time this had been tried in Latin America.

The reform was carried out on three levels:

—On the theoretical-conceptual level, with the introduction of the strategic planning approach as an alternative to the theory which had been the traditional basis of planning practice in Venezuela.

—In the methodological systems, for the purpose of utilizing the tools proposed for the strategic planning process, beginning with the drafting of the general guidelines for the Seventh National Plan.

—On the practical level, by training the individuals who would participate in the reform process in the new theoretical and methodological concepts which were to be introduced.

It has been noted that the Seventh National Plan uses a situational explanation of problems, instead of a diagnosis by traditional sectors, as a method for approaching and understanding the planned reality. The first task undertaken was to select the priority problems in the initial situation on the national level, as well as that of the federal bodies.

From this analysis, in which teams in the centralized and decentralized administrations and the federal bodies participated, 27 priority problems were identified and are set forth in the general guidelines for the Seventh Plan.

The Venezuelan Planning Institute, for its part, undertook the methodological training of the officials who participated in the drafting of the plan. This training involved 2,300 technicians, over a period of 6 months.

After the identification of the 27 problems, the CORDIPLAN began an accounting process in connection with the state plans and the overall national picture set forth by the ministry.

Various problems developed there, including differences in the understanding and practice of the methodology, the lack of consistency in the statistical data and the lack of a standard criterion for the degree of separation which should characterize the plan operations.

The CORDIPLAN believes that the first assessment of these new schemes has produced the following results:

—The theoretical-methodological concept underlying the reform opened up possibilities for analysis which were limited with the traditional planning system, and imagination and creativity were awakened in the technical planning teams with the introduction of a strategic concept, both in the design and in the drafting of the plan.

—The situational explanation required contemplation of real problems in all their dimensions and overall, without limiting the study to the traditional diagnostic processes.

—The incorporation of government officials in the process as regional planning agents encouraged a decentralizing trend, which led to the development of strategies within their own spheres of action.

The document reiterates that this undertaking is being supplemented by a proposed organic law on the National Planning System drafted by an editorial commission on which the CORDIPLAN, the IVEPLAN and the COPRE are represented.

This legal tool is designed to strengthen a national planning system, interaction among the various decision-making levels, the integral nature of the complex of plans, their consistency with the budgets, and the importance of democratic participation.

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Allegations of Illegal Citizenship Documentation Investigated

33480116a Caracas EL NACIONAL in Spanish 26 Mar 88 p D-1

[Article by Jesus Eduardo Brando]

[Text] The Democratic Action party has moved from opportunism to the marketing of Venezuelan citizenship, the head of the National Certification Control Office, Humberto Maio Negretti, said after filing a report with the president of the Supreme Electoral Council (CSE) charging that the government party is illegally issuing citizenship documents to foreigners for electoral purposes.

This charge was initially made public by COPEI Deputy Luis Corona, who is president of the Administration and Services Commission of the lower chamber and a member of the campaign committee for Eduardo Fernandez.

As Maio Negretti arrived at the headquarters of the CSE, briefcase in hand, for his interview with Carlos Delgado Chapellin who is the president of that body, an independent, Lucas Guillermo Castillo Lara, who is president of the CSE Reports Commission, was arriving simultaneously.

The head of the Certification Control Office had with him photocopies of the statement made by Deputy Corona to the effect that the Democratic Action party is issuing citizenship documents to natives of Guyana in Delta Amacuro, who are being settled, it is claimed, in a village called La Orqueta. It is also being charged that something similar was done with undocumented Colombians in the Andean states, particularly in Trujillo.

The accusations claim that AD officials in the DIEX, both on the national level and in the regional offices, are working on the basis of lists which identify the COPEI applicants, in such a way as to avoid processing applications for renewals or issuing new documents to voters identified as Social Christians.

In addition to these irregularities, another situation exists. When applications are received from the states of Sucre, Bolivar, Monagas and Anzoategui, the AD officials in the main offices of the DIEX here in Caracas expedite the renewal and issuance of documents, which go out in packets to the AD sections in these states, so that all of the AD membership is duly documented and qualified to vote in good time. This is not done where independents or members of other parties are concerned, particularly if they are Social Christians.

Maio Negretti made his accusation even more specific by stating that Lorenzo Arreaza, Jose Ali Servent, Nelson Duran and Mario Silva, all of them employees at the central DIEX office, are charged with such irregularities.

There are other variants of this abnormal situation, including the destruction of applications received from citizens, as well as the original certificates issued (Decs).

A Dangerous Precedent

Controller Maio Negretti expressed his concern about what he believes might be a dangerous precedent, if an effort is made to involve the nation's Armed Forces in the electoral maneuvers of the Democratic Action party.

This was in reference to the fact that last weekend, fliers were distributed in the Guatire zone inviting the public to attend the commemorative ceremonies scheduled by the Army.

The programs planned have to do with the social action campaigns carried out by the Armed Forces in the rural sectors and neglected neighborhoods of urban centers to provide medical and dental care and aid to the population.

What should be viewed with concern, in the opinion of this DIEX official, is the fact that other activities which give rise to suspicion, or at least doubts, are planned, such as the announcement of the holding of group weddings, the distribution of sweets, popular markets, the distribution of bottles of milk and registration campaigns. It is this last-mentioned item which makes the leading opposition party suspicious. It sees no justification for it other than the hope of electoral advantage, in view of the fact that two mobile census units have been dispatched to these Miranda areas by the CSE.

Interior Ministry To Be Informed

For about an hour, both the president of the CSE, Carlos Delgado Chapellin, and the president of the Reports Commission of that body, Castillo Lara, listened to the explanation of the charges.

Finally, it was agreed that the Reports Commission will pursue the pertinent investigation and draft the necessary report. Meanwhile, the president of the CSE will also send a communication to Minister of Interior Jose Angel Ciliberto, asking him to initiate the pertinent investigation, as well, and to order these dubious activities suspended.

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